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Finance Department

Budget for 1929-30

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GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,

BUDGET FOR 1929-30.

CONTENTS.

PART I.

RAILWAY BUDGET.

PAGE.

Speech of the Hon'ble the Railway Member introducing the Railway Budget for 1929-30 in the Legislative Assembly on the 19th February 1929 -

Introductory	1
Financial Results of 1927-28	1
Revised Estimates for 1928-29	1
Rates and fares	3
Budget Estimates for 1929-30	4
Capital Expenditure	5

Budget of the Railway Revenue and Expenditure of the Government of India—

1.—Statement of the Revenue of the Central Government from Railways in India and England	14
1(a).—Statement of Working Expenses of State Railways—Commercial Lines	16
2.—Statement of the Expenditure on Railways charged to the Revenue of the Central Government in India and in England	18
2(a).—Contribution from Railways to General Revenues, 1928-29 and 1929-30	20
3.—Statement of Receipts of the Central Government in India and England for capital contributed by Railway Companies and Indian States towards outlay on State Railways	22
4.—Statement of the Capital Expenditure of the Central Government in India and England on Railways	24
A.—Railway Depreciation Fund	26
B.—Railway Reserve Fund	27

PAGE.

Speech by the Hon'ble Sir Austen Hadow, Chief Commissioner of Railways, in presenting the Railway Budget for 1929-30 in the Council of State on the 19th February 1929—

Introductory	29
Actuals for 1927-28	30
Revised Estimate, 1928-29	30
Budget Estimate, 1929-30	32
Capital Budget, 1929-30	33
Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1929-30 submitted for the vote of the Legislative Assembly	37
Budget of the Railway Revenue and Expenditure of the Governor General in Council as revised since its presentation before the Legislative Assembly and the Council of State	39
Explanatory Memorandum of the Railway Budget for 1929-30	55
Appendix I.—Capital Expenditure	69
Appendix II.—Capital Expenditure on State Railways during 1927-28, at end of 1927-28, and estimated in 1928-29 and 1929-30	88
Appendix III.—Gross receipts, working expenses, and net receipts of State Railways for five years ending 1927-28, with Revised Estimate for 1928-29 and Budget Estimates for 1929-30.	96

PART II.

GENERAL BUDGET.

Speech of the Hon'ble the Finance Member introducing the Budget for 1929-30 in the Legislative Assembly on the 28th February 1929—

Introductory	1
Actual outturn of 1927-28	1
Review of the year 1928-29—General Conditions	2
" " " —Revenue	3
" " " —Expenditure	3
" " " —Departmental Transactions	4
Budget Estimates for 1929-30—Preliminary	5
" " " —Revenue	6
" " " —Expenditure	7
" " " —Departmental Transactions	11
" " " —New Taxation	14
Ways and Means	15
Conclusion	27
Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year	29
Budget of the Governor General in Council as laid before the Indian Legislature, 1929—	
I.—General Statement of the Revenue and Expenditure charged to Revenue of the Central Government in India and in England	32
II.—General Statement of the Receipts and Disbursements of the Central Government in India and in England	34

	PAGE.
A.—Statement of the Revenue of the Central Government in India and in England	36
B.—Statement of the Expenditure charged to Revenue of the Central Government in India and in England	40
C.—Statement of Receipts and Disbursements of the Central Government in India and in England	44
D.— Abstract statement of the Receipts and Disbursements of the Central Government in India and in England	56
The Indian Finance Bill as introduced in the Legislative Assembly on the 28th February 1929	58
Speech of the Financial Secretary in laying the Budget before the Council of State on the 28th February 1929	63
Schedule of demands for grants for 1929-30 (excluding Railways) submitted for the vote of the Legislative Assembly	77
Declaration by the Governor General in Council regarding certain demands refused by the Assembly	79
The Indian Finance Bill, as it stood on the 27th March 1929, after the Second Reading in the Legislative Assembly	79
Recommendation by the Governor General to the Legislative Assembly	79
Notification, dated the 6th April 1929, publishing the Indian Finance Act, 1929	80
Resolution No. F. 1 (1)—F.-29, dated the 31st March 1929, publishing the Budget Statements as revised since their presentation to the Legislative Assembly and the Council of State	83
Explanatory Memorandum by the Financial Secretary on the Budget for 1929-30	113
Appendix I.—Memorandum on the Military Estimates for 1929-30	137
Appendix II.—Statement showing the distribution as between voted and non-voted, of the gross expenditure of the Central Government as shown in the Budgets presented to the Legislature	148
Appendix III.— <i>Pro forma</i> Account of Expenditure on Delhi and the Delhi Province	149
Appendix IV.—Commercial and Financial Statistics	157

PART I.
RAILWAY BUDGET

Speech of the Railway Member

introducing the

~~Railway~~ Budget for 1929-30.

It falls to me, Sir, to submit to the Assembly for the second time the Railway Budget, and to explain to the House the financial position of the Railways. In the form of the statements submitted there is but little change as compared with last year, but in response to the wishes expressed by certain Members, details have been given by railways under Demand No. 4—Administration, and Demand No. 5—Working Expenses: Repairs and Maintenance and Operation. Similar details have also been given under Demands Nos. 7, 8, 9, 10, and 15 dealing with capital and depreciation fund expenditure. The Railway Board's memorandum presents the important facts and figures in a clear and succinct form, and in it the details of the Budget are examined more fully than it is possible for me to attempt now without trespassing unduly on the patience of the House. It is my privilege to present the Budget, but as every one knows, the main burden of its preparation falls, not on me, but on the Financial Commissioner, Mr. Parsons, who has proved himself as indefatigable as ever, not only in the Budget season, but throughout the year. To him and to the Members of the Railway Board I desire to express my indebtedness, and I should like also to acknowledge most cordially the valuable assistance we have constantly received from the Members of the Standing Finance Committee for Railways.

2. In previous years Honourable Members who have given notice of motions for reduction have been good enough to add a few words to indicate the questions they wish to raise. May I express the hope that on this occasion they will follow the same course and thereby lighten the task of the Government Members who have to reply ?

Financial Results of 1927-28.

3. When I submitted the Budget for the current year to the House, we anticipated that the surplus for the year 1927-28—that is the year then drawing to its close—on all lines would be a little over Rs. 11 crores. This estimate was very nearly realized, the actual surplus being about Rs. 24 lakhs less. Both receipts and expenditure were somewhat higher than was expected, but the differences were not important and do not call for detailed explanation. I pass on at once, therefore, to the figures for 1928-29.

Revised Estimates for 1928-29.

4. In our Budget estimate of receipts for the current year we had to balance the normal growth of traffic against the substantial reductions in rates and fares which we were making, and the net result we believed would be a decrease of rather over half a crore in the gross traffic receipts of the commercial lines. Actually we have done rather better than our forecast, and we now expect that the receipts will exceed those of 1927-28 by about

Rs. 1½ crores. This is the more satisfactory since neither the industrial nor the agricultural conditions of the year have been ideal from the railway point of view. The partial failure of the monsoon in the Punjab and the United Provinces, the unexpected and serious shortage of the wheat crop of 1928 in the former province and the prolonged stoppages in the Bombay cotton mills and the Iron and Steel Works at Jamshedpur were all unfavourable factors. Nevertheless, the traffic in almost all classes of commodities has risen, and the quantity of goods transported seems likely to increase by nearly 4 per cent. For all classes of agricultural traffic, for which separate figures are maintained, that is, grain and pulses, oilseeds and cotton, the loadings have been from 5 to 10 per cent higher than in the previous year, and there has been an appreciable, though smaller, increase of the loadings of what are known as 'miscellaneous smalls' and miscellaneous full wagons which can usually be taken as an index of the activity of general trade. The single exception is coal. Here the number of wagons loaded has fallen off by about 4 per cent, though the actual decrease in the volume of traffic is somewhat smaller owing to an increase in the average weight of a wagon load. Since the beginning of 1929, however, the coal traffic has been on the up-grade, the demand for wagons is insistent and the resources of the railways have been taxed to the utmost to meet the needs of the situation.

5. The traffic variations in the course of the year have shown few features of interest and I do not propose to dilate upon them, but it may be useful to indicate how far the reductions in rates and fares made last year have contributed to the increase in traffic which we anticipated. Passenger earnings are down by Rs. 7 lakhs only, as compared with an estimated decline of Rs. 21 lakhs, and though the number of passengers carried was less by 4 millions during the first seven months of the year, the passenger miles increased by 49 millions, which means that the average journey travelled was longer. This is the effect which the reduction in long distance third class fares might be expected to produce. The reductions in the rates for oil cake, petrol and jagree were followed by marked increases in traffic, but it is still too early to say whether the increases were due to the reductions. The traffic in kerosine oil, on the other hand, actually declined during the early months of the year, though the coincidence of lower rates and lower prices should naturally have led to an increase.

6. In the budget estimates of the current year we anticipated that the working expenses would be stationary at about Rs. 62½ crores. They are now expected to be about Rs. 2 crores higher and in excess of the actuals of 1927-28 by Rs. 1½ crores. About three-fifths of this excess is due to abnormal causes. The payment of special gratuities to the staff dispensed with on reduction of establishment in the workshops of the South Indian and Bombay, Baroda and Central India Railway Companies is responsible for 35 lakhs; and a further 46 lakhs of the excess is due to special adjustments in the accounts of the Great Indian Peninsula Railway. For the rest, the increase in working expenses is the natural result of the additional miles of line to be staffed, and the larger volume of traffic carried.

7. When I spoke last year, I laid special stress on the measures taken to secure fuel economy and the savings effected by the modernization of our workshops. I do not propose, on this occasion, to dwell upon them at any length. Members who are interested in these subjects will find a number of interesting details in the Railway Board's memorandum. I will only say

this, that this year we expect to reduce our expenditure on the repair and maintenance of rolling stock by Rs. 14 lakhs, although a considerably larger number of locomotives, carriages and wagons will be repaired than in 1927-28, and that the consumption of coal per gross ton mile is still steadily falling. In both directions there is still much scope for economy and the House may rest assured that no effort will be spared to bring about that result.

8. ~~The financial results of the current year may now be briefly summarized.~~ The total receipts of the commercial lines we put at Rs. 105½ crores, which is nearly Rs. 2 crores higher than the receipts of the previous year. The total expenditure at Rs. 95 crores is up by Rs. 3½ crores, but of this sum more than Rs. 2 crores is accounted for by the increase in our interest charges. The surplus of receipts over expenditure on the commercial lines is Rs. 10½ crores, against Rs. 12½ crores in 1927-28. Out of this surplus the loss on the strategic lines absorbs Rs. 1½ crores, and of the balance Rs. 5½ crores goes to general revenues under the operation of the convention and Rs. 3½ crores will be added to the Reserve Fund. Such is the financial position in which we face the coming year.

Rates and Fares.

9. Last year it was my good fortune to announce important reductions in third class fares and in the freight rates on various commodities involving a sacrifice of revenue of about Rs. 3 crores in a full year. I was not sanguine enough to expect that I should be able on this occasion to announce a series of reductions on the same scale, but I should have been disappointed if the results of the year had made it impossible for us to do anything to assist trade. Actually our financial position seems to us strong enough to justify four measures which will, we hope, prove useful. Two of them are of minor importance and require only a brief notice. In the first place, there will be reductions in the rates for forest produce, such as timber, firewood and charcoal, on the Eastern Bengal and Great Indian Peninsula Railways, and in the second place substantial reductions will be made on three of the State-managed railways in the rates for fresh fruit and vegetables. After making allowance for the growth in traffic which is expected, the net loss in earnings is put at Rs. 7 lakhs for those two proposals together. The remaining measures must be explained in greater detail.

10. When the long distance fares on three of the State-managed railways were reduced last year, no change was made in the third class fares on the Eastern Bengal Railway, which remained at their present level of 3½ pios per mile for all distances. It has been decided to introduce on this railway a telescopic scale, the existing rate being retained for distances up to 150 miles while for longer distances the rate will be reduced to 2½ pios per mile from 151 to 300 miles, and 1½ pios per mile for distances over 300 miles. It is believed that these reductions will stimulate passenger traffic appreciably, and allowance being made for that, the loss in earnings is estimated to be Rs. 5 lakhs a year. I am glad that we have been able to bring the Eastern Bengal Railway into line with the other State-managed railways in this respect.

11. The other important reduction is in the rates for coal. This is a matter to which I personally have always attached great importance, for the development of industries in India is largely dependent on cheap coal, and owing to the distances which separate many industrial areas from the coalfields, cheap coal is impossible without low freights. I promised last

year that the question would be fully examined and this has been done. The last reduction in our coal rates was made in 1926, and the results have been such as to encourage us to take another step in the same direction. On the East Indian Railway the tonnage carried for distances over 400 miles was 31 per cent. more in 1927-28 than it was two years earlier and the earnings 33 per cent. more. It is a very significant fact that the earnings on the long distance public coal should show a greater increase than the tonnage, notwithstanding the reduction in ~~charges~~ for it means that the average distance the coal was hauled must have increased substantially. The present rates for distances over 400 miles are calculated on the following telescopic scale, the rates being given in pies per maund per hundred miles :

15 pies for the first 200 miles,

7 pies for the next 300 miles,

6 pies for the portion of the journey in excess of 500 miles.

The new scale, which we are about to introduce, makes no change in the rate for the 1st 200 miles, but reduces the rate to 6 pies per 100 miles, from 201 to 400 miles, and to 5 pies per 100 miles, for the portion of the journey in excess of 400 miles. I have had the new rates compared with the rates charged in 1913-14 to a number of centres, and I find that the increase over the pre-war rates varies from 8 per cent., in the case of Amritsar and Karachi, to 9 per cent., in the case of Delhi and Ahmedabad, 10 per cent., in the case of Bombay and Madras, and 12 per cent. in the case of Cawnpore. I have every hope that the reductions will stimulate the traffic in long distance coal, and that it will do something to promote the development of industries in areas remote from the coalfields. The reduction in gross earnings, due to the lower rates for coal is estimated to be Rs. 53 lakhs, but there will be a substantial set off owing to the saving in the freight paid by railways for the conveyance of the coal they use.

Budget Estimates for 1929-30.

12. I turn now to the budget estimates for 1929-30. Our total receipts we put at Rs. 107½ crores, a figure which is higher by Rs. 159 lakhs than the total receipts of the current year. The normal growth of traffic, given a normal monsoon, should give us an increase of Rs. 120 lakhs after allowance is made for a loss of Rs. 65 lakhs owing to the reductions in rates and fares, interest on the balances of the reserve and depreciation funds should go up by Rs. 20 lakhs and the Government share of profits from subsidised companies by Rs. 19 lakhs. The last item is a windfall and arises from the fact that owing to the purchase of the Southern Punjab Railway with effect from the 1st January, 1930, we shall receive our share of the surplus profits for nine months in 1929-30 instead of in 1930-31.

13. On the expenditure side, working expenses are taken at Rs. 65½ crores, which is half a crore in excess of the figure for the current year. This excess is more than accounted for by an increase of Rs. 58 lakhs in the allocation for depreciation which under the rules of the fund automatically increases with the growth of the capital at charge. The estimate also includes a special provision of Rs. 28 lakhs, the reason for which I can more conveniently explain when I have disposed of the purely financial questions. Apart from this special provision, the estimate under Administration would be less by Rs. 10 lakhs and under Operation by Rs. 5 lakhs than the revised estimates for the current year, while under repairs and maintenance

we are budgetting for a decrease of Rs. 40 lakhs partly because the special debits to revenue on the Great Indian Peninsula Railway will not recur, and partly because we expect a saving of Rs. 17 lakhs in the cost of repairing rolling stock. Interest charges go up by Rs. 97 lakhs owing to the increase in the capital at charge, while the surplus profits paid to Indian States and Railway Companies are down by Rs. 54 lakhs ~~owing to purchase of the Burma Railways~~. The final result is ~~that we expect a surplus of Rs. 11½ crores as against Rs. 10½ crores in 1928-29~~. Of this surplus Rs. 1½ crores is required to meet the loss on the strategic railways, and of the balance, Rs. 6½ crores will go to general revenues, leaving Rs. 3½ crores to be added to the Reserve Fund.

Capital Expenditure.

14. We expected to spend during the current year Rs. 28 crores for capital purposes, including Rs. 4 crores as the purchase price of the Burma Railways, which were taken over by the State on the 1st of January last. The figure of Rs. 28 crores was a net figure arrived at after deducting Rs. 4½ crores as probable savings from the total allotments to the various railways. Our present anticipation is that the actual expenditure will be Rs. 30 crores. The railway organisation can now cope expeditiously with all projects for new capital expenditure, and in the coming year the deduction ~~from the capital allotment~~ on the ground of probable savings has been cut down to Rs. 65 lakhs. This expedient of over-allotment, coupled with a lump sum deduction for probable savings, was introduced after the war owing to the inability of the railways to spend anything like the sums which the Agents believed they could spend at the beginning of each year. It has now, I think, very nearly outlived its usefulness and is likely to play a very subordinate part in future budgets. The excess over the budget figure is partly accounted for by more rapid progress in the completion of new lines under construction. In 1927-28 we expected to open 900 miles of new lines, but actually completed only 438 miles. This year our estimate of the new lines to be opened was 800 miles, whereas the actual figure promises to be 1,100 miles. The most important lines opened this year are perhaps the Daltonganj-Barkakhana section of the Central Indian Coalfields Railway, the Kangra Valley line on the North Western Railway and the Dindigul-Pollachi line on the South Indian Railway.

15. In next year's budget we are providing Rs. 33½ crores for capital expenditure, including an allotment of Rs. 7 crores for the purchase of the Southern Punjab Railway. The acquisition of this line is not only very desirable on administrative grounds, but will, we believe, increase our net revenue by Rs. 47 lakhs. The estimated expenditure for normal capital purposes is Rs. 26½ crores, which is about the same amount as we shall spend in the current year. The provision for open line works is a little over Rs. 18 crores and includes Rs. 6 crores for rolling stock in addition to Rs. 4½ crores from the depreciation fund. Full details of the work which is going on are given in the Railway Board's memorandum, and I cannot attempt to summarize its contents now. The only new work of major importance to be commenced is the remodelling of the Jamalpur workshops on the East Indian Railway, while of the works commenced in previous years the most important which are likely to be completed in 1929-30 are the construction of new workshops for the South Indian Railway at Trichinopoly and the Bombay, Baroda and Central India Railway at Dohad, the new central station of the latter railway in Bombay, and the electrification of the Ghat section of the Great Indian Peninsula Railway between Kalvan and Poona.

16. Under the head of new construction, the allotment for 1929-30 is Rs. 8½ crores. Much the greater part of this sum will be devoted to the completion of the new lines already under construction, and the allotment for new lines to be commenced during the year has been kept down to Rs. 35 lakhs. This policy of concentrating on a limited number of new lines and carrying them to completion as rapidly as possible is the natural corollary of the new situation created by the ability of the railways to spend up to their capital allotments, for there is no longer the same necessity to have a large number of projects in hand simultaneously. The disadvantage of a dissipation of energy over a number of projects is that it means slow construction and prolonged delay before a return is obtained on the capital expended. If, on the other hand, the energies of the railway administrations are concentrated on a limited number of works, commitments are reduced and the situation is far more easily controlled if for any reason a reduction of expenditure on new construction becomes necessary. It is expected that about 600 miles of new line will be opened during 1929-30 leaving 2,100 miles under construction at the end of the year. The lines likely to be opened include 83 miles of the Raipur-Parvatipur line which is to connect the Central Provinces with the new port at Vizagapatam and about 127 miles of line under construction by the Burma Railways. Of the entirely new projects much the most important is the Dacca-Aricha line in Eastern Bengal which is expected to cost about Rs. 2 crores. A sum of Rs. 27 lakhs has been allotted for the commencement of this line in the estimates for next year.

17. What I have said about capital expenditure concludes my annual review of railway finance. The year has been reasonably prosperous from the railway point of view, but there have been few features calling for special comment either in respect of revenue or of expenditure. The Railway Board have spared no effort to promote increased economy and efficiency in the railway management, but in doing so they have proceeded on the lines of policy laid down in previous years, and there are no novel measures calling for special comment here. In these circumstances, I have not thought it necessary to enter into great detail, but have been content to notice briefly the outstanding points of interest. There are, however, certain features in the budget for next year to which I have not yet referred, but which are nevertheless of great importance. To these I now turn.

18. During the last two years the railways have had their share in the unrest which has troubled the labour world, and the attention of Government has frequently been drawn to various matters in respect of which the conditions of railway service are held to be unsatisfactory. On the complaints made I will not dwell, for they are not for the moment germane to my purpose, but I will say at once that in various directions Government are anxious to do what is possible to remove legitimate grievances and to better the conditions of service, especially for the lowest paid men. We have to recognise that in many matters accepted standards are being raised and what would have been regarded as satisfactory even 10 years ago is no longer sufficient. The change may be slow, but it is quite perceptible. Our third class passengers now expect higher standards of accommodation and greater amenities in travel and our working men hope for improved conditions not only in respect of wages, but also in respect of housing, provident funds, medical relief, education and other matters. Faced with a situation of this kind, I have no doubt as to the attitude which Government should take up. It will not do to consider merely what are the minimum concessions which will suffice to stave off for the moment insistent demands. More than that

s needed. The true line of approach is to consider what is the most we can do without injustice to other interests which Government is equally bound to safeguard. Indeed I have felt for the past year that if it proved possible to make further reductions in rates and fares, we ought to consider simultaneously what provision would be made to better conditions for the men who work for us.

19. I have spoken of other interests which Government is equally bound to safeguard and I have done so deliberately. When we are dealing with schemes for improved conditions on the Indian Railways, and indeed with expenditure of any kind which does not increase earning power, we have constantly to remember whose money it is we are spending. All such expenditure must be met sooner or later from rates and fares, and these must rise and fall according to the expenditure incurred. But when fares are raised almost nine-tenths of the burden falls on the shoulders of the third class passengers, and that means on the shoulders of those who, judged by any standard, are for the most part poor men. If rates are raised, the costs of industries are increased, the earnings of the merchant are diminished, for the volume of trade tends to decline, the price which the cultivator receives for his crops decreases, and the consumer everywhere has to pay higher prices for what he buys. Sooner or later the greater part of the cost will be paid by those whose conditions of life are in no respect superior to those of the railway workmen. I do not urge this as a reason why we should hold our hands and abandon any attempt to make things easier for the railway staff, but I do urge it as a reason why we should proceed step by step, and not by sudden and radical changes, remembering always that we have to balance the need for improving the standard of living of railway employés against the cost of dearer transport to the people of India as a whole.

20. What we propose to do is this. We shall set on foot a systematic examination of the service conditions of our lower paid employés in order to ascertain what are the measures which are most urgently called for in order to bring about an improvement. That will cover not only rates of pay and wages but also reductions of working hours, which would of course involve the employment of additional staff, the extension of provident fund benefits to classes who do not at present enjoy them, improvements in the housing conditions and so on. We have had some preliminary consultation with the Agents of Railways on the subject, but it is certain that the investigations to be made will take time, and we do not anticipate that the schemes likely to be sanctioned in 1929-30 will cost more than Rs. 50 lakhs in a full year, and of course the expenditure in the first year will be smaller. On that basis we have included in the budget a sum of Rs. 28 lakhs (Rs. 10 lakhs under Administration and Rs. 18 lakhs under Operation) and we have also provided a sum of Rs. 30 lakhs under Capital for the building of additional quarters where they are found necessary. The sums I have mentioned should not be regarded as our final conclusion on what may be found to be required, but merely as our estimate of what will be spent next year. It seems to me that there is ample justification for these proposals, and I do not doubt that they will be endorsed by this House.

21. What I have said leads up to what, in my view, is the most important proposal included in the present budget, I mean the addition of a new Member to the Railway Board. A majority of the Standing Finance Committee for Railways found themselves unable to approve this proposal, and

for this reason it will be desirable, I think, that I should deal with it at length. It is a proposal to which I attach the highest importance and which I would commend to the most earnest consideration of the House. It will be desirable, I think, that I should at the outset state briefly the existing organisation of the Board which it is proposed to modify.

22. Apart from the Financial Commissioner, who has a definite sphere of his own, the Railway Board consists of three persons, one of whom—the Chief Commissioner—is concerned with every aspect of the railway administration and is the recognised adviser of Government on all railway questions which may come up for decision. The division of responsibility between the other two Members is roughly indicated by the names by which they are usually described, namely, the Member, Technical, and the Member, General. Of the former I need say little, for he is necessarily occupied to a large extent with technical and engineering problems, and in such matters, if work increases, it is at present comparatively easy to provide the assistance needed without increasing the numbers of the Board. The position of the Member, General, is, however, very different. Since the railways exist for the conveyance of passengers and goods, his primary concern is with the movement of traffic, for if the traffic ceases to move, then the railway has ceased to function. When the last comes to the last, it is the transportation problem which has the primary claim on his time and attention. The second main branch of his work is commercial and might, I think, be summed up under the name of 'salesmanship', if we give a somewhat extended meaning to that word. The Commercial Superintendent of a big line is a man who has transportation to sell and must have constantly before him the demands of his potential customers. That is the position of the General Member, and his work includes the whole problem of rating, which means the fixing of such rates and fares as will secure the maximum volume of traffic. The interests which he is concerned to safeguard are those of the passenger and the merchant, because they are the customers for whom he is bound to provide.

23. The third branch with which the General Member has to deal is establishment, which covers the rates of pay and conditions of service of every grade of official employed on the railways of India, who now number more than 800,000 men. He must be prepared to grapple with the intricacies of pay and allowances when schemes of reorganisation have to be carried out, and with the special problems which arise when a Company-managed railway is taken over by the State and its staff has to be incorporated in the State railway services. He must also be prepared to deal with all the multitudinous questions that may be summed up under the general heading "the welfare of labour", which includes housing, provident funds, leave rules, medical attendance, assistance towards education, hours of work, the recognition of trades unions and the relations between the management of railways and the staff employed by them. For the reasons I have already given, this is a class of work which is of steadily growing importance and year by year must put a heavier burden on those who are responsible for the management of the Indian railway system.

24. It will be obvious from what I have said, Mr. President, that the duties of the General Member are not only heavy but also extremely multifarious, and it is the latter point on which I would lay special stress. The General Member, as I have said, must on the commercial side pay particular regard to the interests of the railway customers, and his main anxiety must be to keep down costs so that rates and fares may be kept at a level which will

attract the maximum volume of traffic. But if staff questions are approached solely from that angle, there must be a danger that other interests for which the Railway Board is equally responsible may receive inadequate attention, or that factors not directly commercial may be given insufficient weight. Since, as I have said, railways exist for the conveyance of goods and passengers, it is essential that one of the Members of the Board should be an expert in traffic and in commercial operations, and the selection for the appointment of General Member must be regulated accordingly. But the qualifications of a good commercial manager are not necessarily those which are likely to fit an officer to deal with labour questions, and indeed in so far as his interest is engaged mainly in commercial problems he may be unfitted to handle questions in which due allowance must always be made for the human factor.

25. For the last two years the work of the Railway Board has been under my close observation, and what I have said reproduces the impression left in my mind by what I have seen. It has become more and more clear to me that the General Member is being asked to perform impossibilities, and that it is idle to expect that any one man should possess all the qualifications required for dealing with the various aspects of his work. When therefore it became necessary to decide what arrangements should be made on the retirement of Mr. Sheridan, who has for the last five years rendered most distinguished service to the Government of India as a Member of the Board, it became necessary to decide also whether the existing organisation could continue unchanged, or whether some modification was necessary. The conclusion at which the Government of India arrived, was that the General Member should be set free to devote his whole time to those matters which are his primary concern, namely, transportation and the commercial management of the railways, and that a new Member must be added to the Board, who would be specially charged with responsibility for all establishment questions and for the welfare of labour and of the staff generally. They considered whether it might not suffice in the first instance to appoint an additional Director to the staff of the Railway Board, but they came quite definitely and deliberately to the conclusion that this would not suffice, and that, if important interests were not to suffer, it was necessary first that the commercial management of the railways should engage the whole time and attention of one Member and that similarly establishment and labour questions should have a Member of their own.

26. It may perhaps be useful if I attempt to indicate the nature of the problems which have to be solved and in the solution of which we have not made such rapid progress as we might have done, had not our organisation imposed on a single individual most onerous and disparate duties. On the transportation side, questions are constantly coming up as to the measures to be taken to facilitate the movement of traffic by the re-modelling of stations and marshalling yards or the doubling or quadrupling of lines. These must be handled by a Member of the Board who can speak with authority to the Agents. On the commercial side there are the ever present problems of rates and fares, complicated as they are by the fact that two most important company-managed lines in India have been taken over for direct management by the State. This means that whereas in former days each railway system was a separate entity, whose managers were concerned to defend the interests of their own system, their own customers and their own shareholders, we have now to look upon all these systems as for many purposes constituting a single system, so that each

problem has to be approached from a new point of view. Thus, for example, when the railways were managed by Companies, they entered into route-agreements, by which the traffic of a given area was divided between them with the result that part of the traffic between particular places was conveyed by a longer and more expensive route and part by a shorter and cheaper route. If these arrangements are retained under State management, unnecessary expense is incurred by the railways as a whole. Similarly, we are constantly being urged to recognise the unity of the State Railway system by extending the system of through rates over all the State-managed railways, a system which at present is applied only to coal. Now these problems cannot be left to the Agents of individual lines, because they affect more than one line, and inasmuch as vested interests have grown up under the old system, and alterations in rates may mean entirely unexpected and unintended diversions of traffic from one line of railway to another, and consequently from one port to another, they require the closest and most careful study, if they are to be dealt with successfully. It is of the highest importance that they should be handled by an expert Member of the Board who can give adequate time to their consideration.

27. On the establishment side, the need for a full time Member is equally apparent. It is not merely that the last two years have been characterised by a great deal of unrest and trouble amongst the railway workmen, for it is no doubt true that such periods of unrest come and go and do not necessarily represent any permanent change. But if any Member of this House takes the view that the new importance given to labour questions and the urgency with which they are pressed is a superficial and transient phenomenon, then I do not hesitate to say that he is deceiving himself. Here in India we have to deal—wisely if we can—with a permanent change in the conditions under which industries and commerce must be carried on, and we must be ready to deal with the problems which are impending as well as with those that have already presented themselves for solution. Here it may suffice to give only one or two illustrations of the kind of question which, under our existing organisation, it is almost impossible to handle adequately or expeditiously. One is the organisation of the method by which labour disputes on the railways should be handled and the relations of the railway management with the trades unions. From the nature of the case, these are matters which must frequently engage the attention of this House, and in which the Railway Member will frequently be called on to explain and justify the attitude of Government. It is not, I think, too much to ask that in dealing with such matters he should have the assistance of an officer of not lower rank than a Member of the Board, with whom he can maintain direct relations and who can devote his whole time to carrying out the policy which commends itself to Government. In this aspect of the case, an additional Director would be of little use, for since the Railway Board is responsible as a body for the administration of the railways in India, it is with the Members of the Board that the Railway Member of Council must deal and it is wholly impracticable that he should go behind the back of the Members of the Board to discuss labour questions with the Director of Labour. The other illustration which I would give is the obligations the Government of India have incurred under the Washington and Geneva Conventions for the 60-hour week and the weekly day of rest. We have not yet succeeded in fully carrying out these obligations, and it is clearly a matter of urgent public importance that there should be no further delay; but I do not hesitate to say that if we had had in the past a Member of the Board who could give his whole time to staff

questions, we should have solved our difficulties at least eighteen months ago.

I must apologise, Mr. President, for the length to which I have spoken on this subject and bring my remarks to a close. Whatever differences of opinion there may sometimes be between the Government of India and the Members on the other side of the House as to methods, I have no doubt at all that we are united in our aims. We all of us wish to see the railways of India administered as to provide the cheapest possible transport to meet the needs of agriculture, industry and commerce, while on the other hand we are equally united in desiring to secure a reasonable standard of life for the great body of the Indian railway servants whose duty it is to work the railways. It is in the belief that the appointment of an additional Member of the Railway Board is the best means towards the effective and speedy attainment of both objects that the Government of India are putting forward their proposal. Some Members, I know, are apprehensive that the administration may become top-heavy and of the dangers which may attend the accumulation of officials at headquarters. On the other hand, we must remember how gigantic a transport system the Indian railways have become and how grave the consequences may be of a failure at headquarters to keep abreast of the times and to provide adequately for the stimulation and co-ordination of effort on the Indian railways.

BUDGET
of the
Railway Revenue and Expenditure of the
Government of India,
as laid before the
Indian Legislature, 1929.

RAILWAY DEPARTMENT;
New Delhi, the 19th February 1929.

A. A. I. PARSONS,
Financial Commissioner of Railways.

CONTENTS.

	PAGE.
1.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT from RAILWAYS in INDIA and ENGLAND	14—15
1 (a).—STATEMENT of WORKING EXPENSES of STATE RAILWAYS—COMMERCIAL LINES	16—17
2.—STATEMENT of the EXPENDITURE on RAILWAYS charged to the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	18—19
2 (a).—CONTRIBUTION from RAILWAYS to GENERAL REVENUES, 1928-29 and 1929-30	20—21
3.—STATEMENT of RECEIPTS of the CENTRAL GOVERNMENT in INDIA and ENGLAND for CAPITAL CONTRIBUTED by RAILWAY COMPANIES and INDIAN STATES TOWARDS OUTLAY on STATE RAILWAYS	22—23
4.—STATEMENT of the CAPITAL EXPENDITURE of the CENTRAL GOVERNMENT in INDIA and ENGLAND on RAILWAYS	24—25
A.—RAILWAY DEPRECIATION FUND	26
B.—RAILWAY RESERVE FUND	27

BUDGET FOR 1929-30.

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class . . .	4,47,70,538	...	...	4,47,70,538	4,50,00,000	...
Lower class . . .	31,55,55,363	...	...	31,55,55,363	31,55,75,000	...
Other coaching traffic earnings.	6,17,17,009	...	...	6,17,17,009	6,10,00,000	...
Goods traffic earnings .	65,34,0,882	...	...	65,34,08,882	67,31,50,000	...
Hire charges and other payments from Railway.	80,91,439	...	...	80,91,409	65,00,000	...
Sundry earnings . . .	1,02,30,117	6,43,141	5,234	1,08,77,401	1,18,57,000	6,43,000
TOTAL EARNINGS . . .	1,00,97,1,138	6,13,141	5,234	1,10,14,29,693	1,11,50,52,000	6,43,000
Deduct—						
Refunds of Revenue collected.	13,55,000	...	...	13,55,000	15,00,000	...
Earnings of worked lines.	7,18,05,764	...	...	7,18,05,764	7,27,25,000	...
Earnings of State Railways.	1,02,66,10,354	6,43,141	5,234	1,02,72,08,910	1,04,08,57,000	6,43,000
Suspense	—9,36,300	..	..	—9,36,300		
Gross receipts of State Railways.	1,02,56,74,054	6,43,141	5,234	1,02,63,87,660	1,04,08,57,000	6,43,000
Deduct—Working expenses of State Railways.*	32,82,77,486	16,77,343	14,206	63,29,69,035	64,19,14,000	46,26,000
Surplus profits paid to Indian States and railway companies.	1,37,13,702	..	...	1,37,13,502	1,79,00,000	...
Net receipts	38,16,93,266	—40,34,102	—8,972	37,76,50,062	38,10,13,000	—39,83,000
(b) Strategic lines—						
Gross receipts . . .	1,60,54,802	...	...	1,60,54,802	1,60,00,000	...
Deduct—Refunds of Revenue collected.	15,147	...	..	15,147	...	...
Working expenses . . .	1,94,68,412	...	..	1,94,68,412	1,99,30,000	...
Net receipts	—31,28,757	..	...	—34,20,697	—39,30,000	...
Total net receipts, Commercial and Strategic lines.	37,87,68,339	—40,34,102	—8,972	37,46,25,265	37,70,83,000	—39,83,000
XII.—Subsidized Companies: Government share of surplus profits, etc.	9,68,043	25,71,698	17,625	35,60,466	13,83,000	27,17,000
XII-A. Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation and Reserve Funds balances.	79,55,051	...	...	79,55,051	1,06,50,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	1,16,713	...	...	1,16,713	10,50,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances.	1,02,051	..	...	1,02,051	2,00,000	...
TOTAL RECEIPTS . . .	38,51,00,330	—11,59,504	8,653	38,07,49,479	39,08,66,000	—12,66,000

*For details see statement 1 (a).

BUDGET FOR 1929-30.

15

Government from railways in India and England.

1928-29.		Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (-) as compared with Revised, 1928-29.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,50,00,000	-12,25,000	4,02,00,000	...	...	4,62,00,000	+12,00,000
...	31,15,75,000	-24,55,000	31,46,75,000	...	...	31,46,75,000	+31,00,000
...	6,00,00,000	+27,73,000	5,93,00,000	...	...	5,93,00,000	-7,00,000
...	67,31,50,000	+2,81,44,000	67,62,50,000	...	...	67,62,50,000	+31,00,000
...	65,00,000	-1,52,000	68,00,000	...	...	68,00,000	+3,00,000
...	1,95,00,000	+12,90,000	1,58,57,000	6,43,000	...	1,95,00,000	...
...	1,11,57,25,000	+2,89,75,000	1,12,20,82,000	6,43,000	...	1,12,27,25,000	+70,00,000
...	15,00,000	-10,00,000	15,00,000	...	...	15,00,000	...
...	7,27,25,000	+44,15,000	6,77,25,000	...	...	6,77,25,000	-50,00,000
...	1,04,15,00,000	+2,40,60,000	1,05,28,57,000	6,43,000	...	1,05,33,00,000	+1,00,00,000
...
...	1,04,15,00,000	+2,40,60,000	1,05,38,57,000	6,43,000	...	1,05,5,00,000	+1,20,00,000
...	64,68,70,000	+2,03,82,000	64,68,73,000	48,27,000	...	65,17,00,000	+51,20,000
...	1,79,00,000	-3,00,000	1,28,00,000	...	...	1,25,00,000	-54,00,000
...
...	37,70,30,000	+48,65,000	38,34,84,000	-41,81,000	...	38,93,00,000	+1,22,70,000
...	1,60,00,000	+40,000	1,65,00,000	...	...	1,65,00,000	+5,00,000
...
...	1,99,30,000	+12,08,000	2,03,00,000	...	...	2,03,00,000	+3,70,000
...	-39,30,000	-11,68,000	-38,00,000	...	...	-38,00,000	+1,30,000
...	37,31,00,000	+37,00,000	38,96,64,000	-41,64,000	...	38,53,00,000	+1,24,00,000
...	41,00,000	-5,80,000	14,56,000	45,44,000	...	00,00,000	+10,00,000
...	1,06,50,000	+4,34,000	1,25,75,000	...	...	1,25,75,000	+19,25,000
...	10,50,000	+5,50,000	11,25,000	...	...	11,25,000	+75,000
...	2,00,000	-4,000	3,00,000	...	...	2,00,000	+1,00,000
...	38,91,00,000	+41,00,000	10,51,40,000	3,60,000	...	40,55,00,000	+1,64,00,000

BUDGET FOR 1929-30.

1(a).—Statement of Working Expenses of State

Heads of working expenses.	ACCOUNTS, 1927-28.				REVISED ESTIMATE	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	12,84,51,807	46,77,343	14,206	13,11,43,356	13,32,74,000	42,26,000
Repairs and maintenance .	17,52,30,023	...	...	17,52,30,023	17,60,00,000	...
Operation	25,13,16,014	...	...	25,13,16,014	25,46,00,000	4,00,000
Depreciation	11,00,85,942	...	...	11,00,85,942	11,60,70,000	...
Suspense	2,97,338	...	...	2,97,338	...	...
TOTAL .	66,38,51,124	46,77,343	14,206	66,80,72,673	67,69,44,000	46,26,000
Deduct—Share of Worked Lines.	3,51,03,668	...	...	3,51,03,668	3,70,00,000	...
Working Expenses .	62,82,77,456	46,77,343	14,206	63,29,69,005	64,19,44,000	46,26,000

BUDGET FOR 1929-30.

17

Railways—Commercial Lines.

1928-29.		Increase (+) Decrease (—) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (—) as compared with Revised, 1928-29.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	13,75,00,000	+68,00,000	13,30,73,000	44,27,000	..	13,75,00,000	
...	17,50,00,000	+68,00,000	17,10,00,000	...	...	17,10,00,000	—40,00,000
...	25,50,00,000	+1,06,00,000	25,59,00,000	4,00,000	...	25,63,00,000	+13,00,000
...	11,00,70,000	+4,42,000	13,19,00,000	...	...	12,19,00,000	+58,30,000
...	
...	68,35,70,000	+2,44,42,000	68,18,73,000	48,27,000	...	68,67,00,000	+31,30,000
...	3,70,00,000	+40,50,000	3,50,00,000	...	...	3,50,00,000	—20,00,000
...	64,65,70,000	+2,08,22,000	64,68,73,000	48,27,000	.	65,17,00,000	+51,30,000

BUDGET FOR 1929-30.

2.—Statement of the expenditure on railways charged to

HEAD OF EXPENDITURE.	ACCOUNTS, 1927-28. -				REVISED ESTIMATE,	
	India.*	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
(a) Commercial line—						
Interest—						
on Government capital at charge .	14,33,67,000	10,12,54,959	4,97,146	24,41,19,105	16,20,04,000	10,36,79,000
on capital contributed by Indian States and Companies.	3,16,288	1,48,12,382	57,727	1,51,86,337	4,05,000	1,46,12,000
Total interest, commercial lines .	14,26,83,288	11,60,67,341	5,54,873	25,98,05,442	16,24,09,000	11,82,91,000
(b) Strategic lines—						
Interest on capital at charge .	1,24,02,367	...	...	1,34,02,667	1,42,30,000	...
TOTAL INTEREST	15,60,85,865	11,60,67,341	5,54,873	27,27,08,099	17,66,29,000	11,82,91,000
11. Subsidized Companies—						
Land and subsidy. 1. . . .	5,32,515	...	...	5,32,515	8,00,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	40,16,943	7,91,210	3,697	48,11,550	33,02,000	9,38,000
Strategic lines	2,05,483	...	..	2,05,483	50,000	..*
Payments to general revenues—						
Contribution*	5,49,29,358	...	...	5,49,29,358	5,33,19,000	...
One-third of the excess of railway surplus over three crores.	75,53,725	...	...	78,53,725	22,57,000	...
Total payment to general revenues .	6,27,83,082	.	...	6,27,83,083	5,45,76,000	...
13A—Surplus Railway Revenue transferred to Railway Reserve Fund.	4,57,07,449	...	..	4,57,07,449	3,45,14,600	...
TOTAL	26,38,81,365	11,68,58,551	5,58,670	38,67,18,479	26,98,71,000	11,92,29,000

* For details see Statement 2 (a).

BUDGET FOR 1929-30.

the revenue of the Central Government in India and in England.

1928-29.		Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.					Increase (+) Decrease (-) as compared with Revised, 1928-29.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
...	26,56,88,000	+49,81,000	16,98,95,000	10,66,99,000	...	27,67,84,000	+1,11,11,000	
...	1,50,17,000	-2,51,000	4,84,000	1,31,72,000	...	1,36,08,000	-14,11,000	
...	28,07,00,000	+47,30,000	17,03,29,000	12,00,71,000	...	29,04,00,000	+87,00,000	
...	1,42,20,000	+2,20,000	1,40,50,000	...	...	1,40,50,000	-1,70,000
...	29,49,20,000	+40,50,000	18,43,79,000	12,00,71,000	..	30,44,50,000	+95,30,000	
...	8,00,000	-2,00,000	8,00,000	...	...	8,00,000	...
...	42,40,000	+65,000	41,10,000	10,45,000	...	51,55,000	+9,15,000	
...	50,000	+25,000	50,000	...	...	50,000	...
...	5,23,19,000	+34,000	6,11,86,000	...	...	6,11,86,000	+88,67,000
...	22,67,000	-2,58,000	12,86,000	...	...	12,86,000	-9,71,000
...	5,45,76,000	-2,24,000	6,24,72,000	...	...	6,24,72,000	+78,96,000
...	3,45,14,000	-5,16,000	3,25,78,000	...	...	3,25,78,000	-19,41,000
...	38,91,00,000	+41,00,000	28,48,84,000	12,11,16,000	...	40,58,00,000	+1,64,00,000	

BUDGET FOR 1929-30.

2 (a).—Contribution from Railway to General Revenues, 1928-29.

(Based on actuals, 1926-27.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,30,00,03,098 at charge, commercial lines . . . . .	...	6,30,00,081
2. (i) Receipts—commercial lines		
Gross traffic receipts,	97,50,52,536	
Subsidised Companies, share of surplus profits	39,71,604	
Interest on Depreciation and Reserve Fund balances	62,51,651	
Dividend on investment in branch lines and miscellaneous receipts	4,75,175	
(ii) Charges—Commercial lines—		98,57,50,966
Working expenses' commercial lines	62,53,00,497	
Indian States and Railway Companies' share of surplus profits	1,65,55,739	
Interest—		
On capital at charge	22,98,44,919	
On capital contributed by Indian States and Companies	1,56,89,903	
Land and subsidy	5,21,204	
Miscellaneous railway expenditure	65,30,247	
Contribution at 1 per cent. on capital at charge, commercial lines	6,30,00,081	95,74,42,540
(iii) Surplus . . . . .	...	2,68,08,426
(iv) Contribution of one-fifth of surplus . . . . .	...	56,61,685
3. (i) Total contribution from railway revenues [1 plus 2 (iv) ] . . . . .	...	6,86,61,716
Deduct—Loss on strategic lines borne by railway revenues—		
(a) Interest on capital of 31,60,50,135	1,31,35,059	
(ii) Loss in working	32,07,200	
		1,63,42,259
(ii) Net payment due from railway to general revenues in 1928-29 . . . . .	...	5,23,19,457

BUDGET FOR 1929-30.

21

2 (a).—Contribution from Railway to General Revenues, 1929-30.

(Based on actuals, 1927-28.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,62,32,57,749 at charge, commercial lines . . . . .	...	6,62,32,577
<hr/>		
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	1,02,63,32,569	
Subsidised Companies' share of surplus profits	35,60,366	
Interest on Depreciation and Reserve Fund balances	79,85,954	
Dividend on investments in branch lines and miscellaneous receipts	8,18,713	
(ii) Charges—Commercial Lines—		1,05,96,95,603
Working expenses	63,29,69,005	
Indian States and Railway Companies' share of surplus profits	1,57,18,502	
Interest—		
On capital at charge	24,41,19,105	
On capital contributed by Indian States and Companies	1,51,86,337	
Land and subsidy	5,32,515	
Miscellaneous railway expenditure	48,11,850	
Contribution at 1 per cent. on capital at charge	6,62,32,577	
		97,95,64,601
(iii) Surplus		5,91,30,711
(iv) Contribution of one-fifth of surplus		1,18,26,142
<hr/>		
3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .	...	7,80,68,719
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 32,41,78,507	1,34,02,687	
(ii) Loss in working	34,70,089	
		1,68,72,756
(ii) Net payment due from railway to general revenues in 1929-30 . . . . .	...	6,11,85,963

3 —Statement of receipts of the Central Government in India and England for State

HEADS OF ACCOUNT.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XII.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways	21,504	...	...	21,504	...	88,14,000

BUDGET FOR 1929-30.

23

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1928-29.			BUDGET ESTIMATE, 1929-30.				
Exchange.	TOTAL.	Increase + Decrease — as compared with Budget, 1928-29.	India	England	Exchange.	TOTAL	Increase + Decrease — as compared with Revised, 1928-29.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
..	83,14 000	—1,20,66,000	...	2,65,19,000	...	2,65,19,000	+1,82,05,000

4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1926-27.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53.—Construction of State Railways :—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .	...	...	...	5,06,89,000	...	...
Other Works . . .	...	...	...	13,72,91,884	...	...
New Construction . .	...	...	...	9,91,07,000	...	...
Suspense . . .	...	...	...	2,73,38,000	...	...
Purchase of Railways and branch line shares . .	...	...	...	2,92,000	...	...
Deduct—Probable Savings .	...	...	...	...	...	...
TOTAL .	17,00,73,972	13,86,95,662	5,46,240	31,52,15,884	15,23,00,000	10,00,00,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock . . .	...	...	...	15,09,000	...	...
Other Works . . .	...	...	...	46,01,528	...	...
New Construction . .	...	...	...	35,15,484	...	...
TOTAL .	96,26,312	...	..	96,26,312	77,00,000	...
TOTAL COMMERCIAL AND STRATEGIC LINES	18,57,00,284	13,86,95,662	5,46, 40	32,48,42,176	16,00,00,000	10,00,00,000
53-A.—Discharge of Debentures . .	...	68,66,687	11,594	66,78,261	...	83,14,000
54.—Redemption of liabilities involved in purchase of Railways . .	...	...	...	...	...	4,00,00,000

BUDGET FOR 1929-30.

25

Central Government in India and England on Railways.

1928-29.			BUDGET ESTIMATE, 1929-30.				
Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Budget, 1928-29.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Revised, 1928-29.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	3,48,00,000	—1,75,30,000	...	...	...	5,62,00,000	+2,34,00,000
...	13,12,50,000	+7,77,000	...	...	...	12,83,00,000	—30,50,000
...	8,86,00,000	—1,86,12,000	...	...	...	8,62,00,000	—24,00,000
...	—55,00,000	+45,47,000	...	...	...	—59,00,000	—4,00,000
...	31,50,000	+31,50,000	...	...	...	7,02,87,000	+6,71,17,000
...	...	—4,74,88,000	45,00,000	20,00,000	...	65,00,000	+65,00,000
...	26,28,00,000	+1,99,00,000	16,02,00,000	17,02,87,000	...	33,04,87,000	+7,81,87,000
...	5,00,000	—8,75,000	...	...	...	19,00,000	+14,00,000
...	23,00,000	—48,000	...	...	...	13,00,000	—10,00,000
...	49,00,000	+5,23,000	...	...	...	10,00,000	—38,00,000
...	77,00,000	+1,00,000	48,00,000	...	...	48,00,000	—29,00,000
...	26,00,00,000	+200,00,000	16,50,00,000	17,02,87,000	...	33,52,87,000	+7,52,87,000
...	88,14,000	—1,20,66,000	...	2,65,19,000	...	2,65,19,000	+1,32,05,000
...	4,00,00,000	...	...	...	...	...	—4,00,00,000

BUDGET FOR 1929-30.

A.—Railway Depreciation Fund.

	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	8,58,40,481	9,27,40,481	9,00,82,911	11,50,82,911	Appropriation from Depreciation Fund.	10,95,12,572	9,00,00,000	9,50,00,000	10,50,00,000
Appropriation to Depreciation Fund.	11,37,55,008	11,95,00,000	12,00,00,000	12,60,00,000	Closing balance.	9,00,82,911	12,22,40,481	11,50,82,911	13,60,82,911
TOTAL	19,95,95,489	21,22,40,481	21,00,82,911	24,10,82,911	TOTAL	19,95,95,483	21,22,40,481	21,00,82,911	24,10,82,911

BUDGET FOR 1929-30.

27

B.—Railway Reserve Fund.

	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	11,27,62,861	16,00,83,361	15,84,09,810	19,29,83,810	Appropriation from Re- serve Fund.	...	...	...	...
Appropri- ation to Reserve Fund.	4,57,07,449	3,50,30,000	3,45,14,000	3,25,73,000	Closing Balance.	15,84,69,810	19,51,13,361	19,29,83,810	22,55,56,810*
TOTAL	15,84,09,810	19,51,13,361	19,29,83,810	22,55,56,810	TOTAL	15,84,69,810	19,51,13,361	19,29,83,810	22,55,56,810*

Speech by the Hon'ble Sir Austen Hadow, Chief Commissioner of Railways, in presenting the Railway Budget for 1929-30 in the Council of State.

INTRODUCTORY.

Sir,

I rise to present to the Council a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1929-30 in respect of Railways.

2. Since the Budget for the current year was put before the Council a year ago, we have had an appreciable expansion of the mileage of Indian Railways. The additional mileage opened in the year 1927-28 was 699 miles as compared with 421 miles in 1926-27; in the current year we hope that a total additional mileage of about 1,300 miles will have been opened by the end of March 1929 and the total mileage of Indian Railways may, therefore, amount to over 41,000 by the end of this financial year. These figures represent the mileage of all Indian Railways—that is, they include the mileage of railways owned by Indian States, Companies and District Boards. The additional mileage actually financed from the Budget and expected to be opened during the current year will, it is hoped, be about 1,090 miles, bringing up the total State-owned mileage to over 29,500.

3. Moreover there has been an addition to the mileage managed by the State for, since the Burma Railways Company was bought out by Government on the first of January 1929, the working of this railway system has been taken over by the State, so that there are now five systems, the East Indian, the Great Indian Peninsula, the North-Western, the Eastern Bengal and the Burma Railways, owned and worked by the State. There are five other important railways, in which the State owns the greater part of the capital, worked by Companies under contract, and there are yet others in which distinct parts are owned by Government and the Companies. The Budget figures are derived from the results of working all the above lines, but are also affected to a minor degree by the working results of certain other Company-owned Railways, on which Government has guaranteed a certain return on capital and is entitled to a share of surplus profits, when earned.

4. For more detailed information in regard to the ownership of different parts of the Indian Railway system, I would refer those who are interested to Appendix A of the Report on Indian Railways, Volume I, for the year 1927-28 which has been published recently. I would remind the Council, also, that a distinction is drawn throughout the Budget figures between commercial lines and strategic lines. The North-Western Railway system includes an appreciable mileage of strategic lines on the North-West Frontier, which are treated separately in the accounts, as the interest on their capital cost and the loss incurred in working them are met from the General Revenues. Having given the Council this brief descriptive sketch of the railway system of India, I will now proceed to the real business of the day, namely, the results of our working of it and our estimate of revenue and expenditure for the year 1929-30, but I would explain that in my remarks generally the figures, which I shall quote, will be for the commercial lines only, for, as I have just explained, the figures of earnings and working expenses of strategic lines are treated separately, and they form an insignificant part of the whole.

BUDGET FOR 1929-30.

Actuals for 1927-28.

5. Considering first the final results for the year 1927-28, it will be seen that the anticipated results, as estimated a few weeks before the close of the year and put before this Council twelve months ago, were not far wrong. Our actual total receipts from commercial lines amounted to nearly 104½ crores of rupees, about half a crore more than the revised estimate figures, while our working expenses were in excess by ¾ crore as we had not allowed sufficiently for the cost of moving a traffic so much higher than our original estimate, and certain unexpected adjustments had also to be made. The result was, therefore, that our net gain from commercial lines was 1,254 lakhs, 22 lakhs less than the revised estimate, and after meeting the loss on strategic lines we paid 6,28 lakhs as our contribution to general revenues and added 4,57 lakhs to the railway reserve. This, however, is past history now and I will pass on to the revised estimate for the current year.

Revised Estimate, 1928-29.

6. The gross earnings of the current year, as a whole, are considerably better than we expected when preparing our original Budget a year ago. It will be remembered that at that time we estimated that, if the reductions of rates and fares then announced were not introduced, the total receipts might be expected to amount to a little over 105 crores from commercial lines. But we calculated that the reduction of those rates and fares would have the effect of taking 2 crores off this figure, and we therefore estimated our probable total receipts at about 103½ crores. We have now increased the figure in the revised estimate to 105½, which is about 2 crores higher than the actuals for 1927-28. The railway systems mainly responsible for the improvement in earnings up to the end of January were the Madras and Southern Mahratta Railway, the Bombay, Baroda and Central India Railway and the Great Indian Peninsula Railway.

7. Our passenger earnings during the current year have been somewhat disappointing, and under this head we have found it necessary to cut down our Budget figure by 36 lakhs, making it slightly below the actuals for last financial year. This traffic has not in fact responded as quickly as we expected to the reductions in fares introduced last year. The goods earnings, on the other hand, are expected to be 2½ crores higher than we estimated, and 2 crores more than in 1927-28. As indicated in paragraph 5 of the Budget Memorandum, all the principal commodities have contributed to this result except coal and coke. I shall refer to the question of the coal traffic again presently but it is noticeable that in the first seven months of the current financial year we had nearly as good an increase in total goods ton mileage over the similar period in the year 1927-28 as we had in the latter year over the year 1926-27. In the months April to October 1928 the increase was 377 million, or almost 3·2 per cent.

8. As I have shown, we have been able to anticipate a good increase in earnings in the current financial year. This will not, however, result in higher net receipts, for our original estimate of working expenses during the current year is likely to be exceeded by 2 crores. We have put this figure now at 64½ crores, which is 1½ of a crore higher than the final figure for 1927-28. The increase is under the heads Administration, Operation and Depreciation; under the first two it is accounted for largely by extra provision for staff on lines newly opened, and for working a heavier traffic on the lines. The fuel bill, however, which comes under the head "Opera-

being pursued. The higher figure under Depreciation is, of course, accounted for by the large addition to capital expenditure. The estimated expenditure under Repairs and Maintenance is almost the same as last year, but it is worth noting that the cost of keeping our rolling stock in repair is expected to be 14 lakhs less than in 1927-28; this, following on the marked decrease in such expenditure in 1927-28, indicates that further satisfactory progress is being made in our workshop methods.

9. The final result then of the year's working, so far as we can estimate it at present, is likely to show 105½ crores as our total receipts from commercial lines and total charges amounting to just over 95 crores, leaving a net gain of 10,71 lakhs, which is 183 lakhs less than last year's surplus, but 7 lakhs more than our original estimate for the current year. Of this surplus, 180 lakhs are required to meet the loss on strategic lines, the figures for which call for no particular remarks, general revenues will receive 5,46 lakhs and 3,45 lakhs will go to the railway reserve which, on this anticipation, will amount to 19,30 lakhs at the close of the year.

10. In these circumstances and following up the action which we took twelve months ago in examining what reductions of rates and fares might be expected to stimulate traffic and quickly make good to us the initial loss that is involved in making such reductions, we have again considered what should be done in this direction. As before, we first looked into the question of passenger fares. During the current year, as the Council are aware, we have brought into effect reductions of third class passenger fares on all the State-managed Railways, except the Eastern Bengal Railway where the circumstances were special and needed more careful examination. We have now decided to reduce the third class passenger fares for the longer distances on this railway, as we have done on the others, to an extent that would cost us about 8½ lakhs in earnings if no increase were to result. We hope, however, to get a quick response and we estimate the loss in earnings next year due to this reduction at 5 lakhs. We shall also make reductions in rates for the carriage by goods train of fresh fruit and vegetables on the North-Western, East Indian and Eastern Bengal Railways, and reductions in rates for forest produce on the Eastern Bengal and Great Indian Peninsula Railway. These are naturally not to be considered of first rate importance, but probably every one will agree in considering it of first importance to reduce rates for coal, and we have come to the conclusion that the time has come to make a further reduction in these rates. Throughout the current year we have been making a careful examination of the present rates for the carriage of coal, coke and patent fuel, and, in view of the benefits which we can expect to get from the stimulus which cheaper coal will tend to give to up-country industries, we believe that the reduction we propose on coal rates for long distances, though it will no doubt mean an immediate decrease of earnings, will come back to us within a short time. We do not propose to alter the existing scale of rates for distances up to 400 miles, but only the scale for distances over 400 miles. Under the latter scale the rate for the first 200 miles which is 0.15 pie per maund per mile will remain as it is. For the additional distance above 200 miles we propose to reduce rates appreciably on the State-managed Railways (except the Burma Railways), and we hope the Company-managed Railways will adopt the same scale. Our proposals are that, instead of the present rate of 0.07 pie per maund per mile which obtains for coal carried for distances above 200 miles up to 500 miles and 0.06 pie per maund per mile for the additional distance beyond 500 miles, we shall charge a rate of 0.06 pie per maund per mile for the additional distance

mention that the reduced rate from the Jherria coalfields to Lahore will be about Rs. 1-4 less per ton than the present rate. It will be seen that the reduction is an appreciable one, and we estimate that if it were to give us no increase in coal traffic it would cost us 62 lakhs in earnings per year. It has been calculated that these reductions in rates and fares taken together will probably cost us 65 lakhs in the next financial year even after allowing for the immediate increase of traffic which they may be expected to produce.

Budget Estimate, 1929-30.

11. We now come to the Budget estimate for next financial year. As usual we must assume for present purposes that we shall have a fair monsoon, but we have estimated for a smaller increase both in passenger miles and in goods ton miles than we did a year ago and have allowed for the drop in earnings mentioned just now as the estimated effect of the reduced rates and fares. We have thus arrived at a figure of 105½ crores for our gross traffic receipts from commercial lines in 1929-30, as compared with our revised figure of 104½ crores for the current year, and altogether, adding on to our traffic receipts the interest on balances of Depreciation and Reserve Funds, on investments and our share of profits, etc., from subsidised Companies, we get a figure for total receipts amounting to 107½ crores as compared with 105½ crores, our revised estimate for the current year.

12. In calculating our working expenses for next year, we have estimated that our expenditure under the head "Administration" will be the same as the revised figure for the current year, that we shall spend 40 lakhs less under "Repairs and Maintenance" and 13 lakhs more under "Operation". The net result is a decrease of 27 lakhs, but the decrease would have amounted to 55 lakhs if we had not made a special provision of 28 lakhs, 10 under "Administration" and 18 under "Operation", for improving the service conditions of our lower paid employees. As explained in paragraphs 21 and 23 of the Budget Memorandum, we propose to undertake a thorough examination into this matter, and we have already taken preliminary steps to this end. If the proposal to add a new member to the Railway Board is agreed to, it will be one of his duties to conduct this enquiry, but it must be recognised that the enquiry will take some time and that the provision of 28 lakhs for the purpose of ameliorating such conditions of service is little more than a guess at what may be required. We hope to make a further saving of 17 lakhs in the cost of repairing our rolling stock, and about 35 lakhs on our fuel bill, the latter being partly due to the favourable contracts we have recently let for market coal, but more so to the advantage we shall ourselves derive from the reduced coal rates I have previously referred to. With the further increase in our Capital account next year, our payment to the Depreciation Fund will rise by 58 lakhs and our Interest charges by 97 lakhs, and the total charges we expect to have to meet next financial year will amount to 96 crores, or about one crore more than those in the revised estimate of the current year.

13. On our anticipations, therefore, of total receipts amounting to 107½ crores and charges slightly over 96 crores, we arrive at a net gain from commercial lines in 1929-30 of 11½ crores, about half a crore more than we expect to get in the current year, but 1½ crore less than we made in 1927-28. After setting aside 1½ crores to meet the estimated loss on strategic lines, and paying 6½ crores to General Revenues, we shall have left 3½ crores to appropriate to the railway reserve, which, if our estimates are fairly accurate, will have a balance of about 22½ crores on the 31st March 1930. By the same date it is estimated that our depreciation fund will amount to over 13½ crores.

Capital Expenditure.

14. Turning now to our Capital Budget, I explained twelve months ago the arrangement we had been following, under which each railway was allowed to include in its approved programme works involving expenditure during the year somewhat in excess of what we expected they would spend. I also showed that, as the Engineering organisation on the various railways improved, this over-allotment was becoming less necessary. During the current year Railways have in fact made such good progress with sanctioned works that we now expect them to spend about 26 crores against our Budget estimate of 24 crores. As I have already indicated, we anticipate that during the current year nearly 1,100 miles of new lines, financed from the Budget, will be opened for traffic, and it is here particularly that quicker progress has been made than we anticipated, for our rather cautious estimate of twelve months back mentioned 800 miles as the mileage to be opened during the year.

15. The most important new line opened throughout during the current year is the north to south connection from Balharshah to Kazipet through His Exalted Highness the Nizam's dominions, which it was originally hoped to open by the end of last financial year. This was not financed from the Railway Board's Budget, but will be such a valuable line in shortening a journey between North and South India that it must be mentioned. Of Budget lines opened during the year or expected to be opened, I would mention as most important the Daltonganj Barkakhana line, 114 miles long, known as the Central Indian Coalfields Railway, the Kangra Valley Railway in the Punjab, 103 miles long, and two important chord lines Villupuram to Trichinopoly, 108 miles, and Dindigul to Pollachi, 75 miles long, both in South India. Most of the other new lines opened are short branches or extensions varying in length from 10 miles to 50 miles.

Capital Budget, 1929-30.

16. In framing our Capital Budget for 1929-30, we have attached great importance to the idea that all possible efforts should be directed to the pushing forward of open line improvement schemes and new lines, which have already been started, so that they may be completed and begin to justify the expenditure on them as early as possible. We have therefore, in consultation with Agents, arranged for their programmes to be prepared with this main object in view and have avoided, as far as possible, allotting funds for the inception of new works until most of the others can be completed. Moreover, we are satisfied that the large over-allotments, which we found it necessary to make in recent years, are now unnecessary and on a proposed Capital expenditure of 26½ crores in 1929-30 we have only allowed an over-allotment of 65 lakhs.

17. On open lines we propose to spend 18,17 lakhs, of which 601 lakhs will be on rolling stock, and on lines under construction and new lines an expenditure of 8,33 lakhs is estimated. In Appendix 1, attached to the Budget Memorandum, there is a great deal of detailed information about the items of works and rolling stock which work up to the figure of 18,17 lakhs expenditure which it is proposed to incur next year on our open lines, and the programmes of the individual railway administrations are shown, as usual, in the pink books. I will not weary the Council with detailed remarks about various individual works shown in the Programme, but I should like to make a brief explanation in regard to the headings under which the expenditure is classified. It is hardly necessary for me to invite the attention of the Council again to the need for strengthening

the track and bridges on all the more important routes, in order that we may be able to move our increasing traffic with safety, economy and efficiency by means of heavier and faster trains which require heavier locomotives to work them. We have provided 3,30 lakhs for this purpose in 1929-30. It would be obviously uneconomical not to pursue this policy while we have some sections in a route which are not up to standard, for improved working cannot be made altogether effective on an improved section until the adjoining sections are also strengthened. But it would be incorrect to give the impression that it is only under the heading of "track and bridges" that increase of capacity is the object of expenditure on our open lines. In fact the ultimate object of nearly all the open line expenditure analysed under different heads in paragraphs 5 to 7 of Appendix I of the Budget Memorandum is this. The provision of 2,36 lakhs under the heads "Doubling" and "Electrification", covering the improvement of the Madras suburban lines, and the conversion to electric working of the Great Indian Peninsula Railway main lines from Bombay to the top of the Western Ghats, is designed directly to obtain increased capacity and more economical working. Expenditure under "Remodelling of Yards" (1,60 lakhs) and "Workshops, etc." (1,42 lakhs) is perhaps not quite as clearly aimed at the same object but is really just as necessary to allow of full advantage being obtained from the work done under other heads. And so with the remaining heads, they all connect up together as bits of the machine, though some of the amenities for passengers fall into a somewhat different category.

18. The 601 lakhs allotted to Rolling Stock in the Budget provide for the entire cost of additional locomotives and vehicles and also for the capital portion of the cost of modern type locomotives and vehicles which are to be obtained in replacement of old and worn out ones. On the Broad Gauge we do not propose to add to the authorised stock of locomotives, but to purchase 146 modern locomotives in replacement of old ones which are out of date and uneconomical to keep in repair. All these 146 will be new standard engines of six different types. For the Metre Gauge lines we propose to get 154 new engines, of which 29 will be additions, and 126 of these will be of the new standard types. It will be seen then that out of a total of 300 new engines included in next year's programme, 257 will be of our new standard types, an indication of the value of Standardisation, for as these engines are required for seven Broad Gauge Administrations and for seven Metre Gauge Administrations there would almost certainly have been a very much larger number of types ordered if there had been no standardisation. I might mention that with the addition of these 257 the total number of new standard engines that have been ordered will rise to 606, the year 1929-30 being the fourth programme in which they have appeared.

As regards Coaching Stock, we have included 314 broad gauge and 334 metre gauge units (one bogie carriage reckoning as two units), of which 194 and 210 units respectively will be additions and we have shown 1,353 broad gauge and 2,148 metre gauge goods wagons, of which 758 metre gauge units will be additions. These wagon figures are, it should be noted, exclusive of all special types of goods stock, such as oil tanks rail and timber trucks, etc., etc. Approximately 3,500 carriage-underframes and wagons included in the 1929-30 programme are to be built to the new standard designs. I would bring to the notice of the Council the large proportion of our new rolling stock which is allocated as renewals, i.e., in replacement of worn out stock of inferior and obsolete types. The debit to our depreciation fund on this account in the year 1929-30 is estimated at 461 lakhs.

19. Among the construction projects, for which provision is made in 1929-30, we have several large ones already in hand, which require heavy allotments of funds if they are to be pushed on with vigour. I will mention a few of

these. First, there is the Raipur-Parvatipur project, designed to connect the Central Provinces with the East Coast near the new Harbour of Vizagapatam to which we have allotted 90 lakhs. The aim is that this line and the new Harbour shall be completed at about the same time, for the financial success of each is dependent on the other. Then we have provided 77 lakhs for the Calcutta Chord Railway and Bally Bridge, 50 lakhs for the Lucknow-Sultanpur-Zafarabad, 50 lakhs for the Minbu-Pakokku project, west of the Irrawaddy in Burma, and 50 lakhs for the main line bridge over the Irrawaddy at Sagaing. There are six other projects (two on the South Indian Railway, one in Sind, two in Lower Bengal and one on the Great Indian Peninsula Railway) which require allotments of 25 lakhs or more.

20. A complete list of the construction projects in hand and to be started (we hope) in 1929-30 will be found in Appendix I of the Budget Memorandum. The only new line of major importance, which we propose to start next year, is the Dacca-Aricha cross connection in Lower Bengal, for we desire, as mentioned above, to concentrate effort on the completion of the projects, some of them very large ones, which are already in hand. During the course of next year we hope that we shall add new mileage, not far short of 600 miles, to our open lines. The most important of these are the Guntur-Macherla branch, 80 miles long, in the Madras Presidency south of the Kistna River, the Qilla Saifullah-Fort Sandeman Extension along the Zhob Valley in Baluchistan, 89 miles long, and a section of 83 miles at the south eastern end of the Raipur-Parvatipur Railway.

21. As regards future developments of our railway system, the Council are, I think, aware that it is a definite responsibility of each of our big railway administrations to consider possibilities of new railway extension within its sphere of influence and our Agents have, therefore, a number of further investigations in hand, which are naturally in different stages of progress. Since the Budget for the current year was presented, we have come to the definite conclusion that a new broad gauge connection from Karachi to Agra cannot be considered at present, as the return we should get on the heavy capital expenditure involved would be very small indeed. There are, however, one or two other big projects as well as many little ones which appear to look promising, the most important being the Bombay-Sind connection which may, I venture to hope, find a place in the programme before long.

22. Before I close my remarks on the Capital Budget I must mention one other matter. During the current year Government has bought out the Burma Railways Company at a cost of 4 crores. Notice has now been given to the Southern Punjab Railway Company of Government's intention to purchase the lines owned by them at the end of December next. This will cost us just over 7 crores and bring the total Capital Budget up to 33½ crores. It is anticipated that this will increase our net annual revenue by 47 lakhs, but in addition there will be important administrative advantages to be gained by the transaction.

23. I will not detain the Council much longer. Meetings of our Standing Committees on Standardisation of the various kinds of equipment continue to be held at regular intervals. I have already shown what a large proportion of our orders for rolling stock against 1929-30 is for locomotives, carriage-underframes and wagons of the new standard designs. As regards wagons, we have not got on as quickly as we hoped with the design of a high capacity coal wagon suitable for mechanical loading, and I am afraid we cannot expect to see any of these wagons in service before the end of 1930. The new Standing Committee on Stores Standards and Specifications will, it is expected, hold its third meeting next month. An event of

some importance to Indian Railways has lately taken place in the establishment of a Calcutta branch of Messrs. Rendel, Palmer and Tritton, our Consulting Engineers in London. There are many ways, we anticipate, in which this branch will be able to assist our work.

24. Our publicity propaganda continues to grow in new directions, and some of the results obtained are very decidedly encouraging. On certain lines, such as the Eastern Bengal and Great Indian Peninsula Railways, students' specials, bazaar specials, and third class conducted excursions are apparently creating an entirely new traffic. The Great Indian Peninsula Railway received so many demands for students' specials during the last X'mas holidays that they had not sufficient stock to meet them. We are further satisfied that one of the best ways of encouraging railway travel amongst the illiterate masses is by means of Cinemas, and as all the State Railways have now provided themselves with Cinema cars, the number of free Cinema displays given during the current year has been very great. On the Railway side also we have made progress especially in the 'safety first' line. A further recent development has been the out-turn of a third class pilgrim tourist car by the North-Western Railway, which was recently on view in our Publicity Exhibition close by. This car will, we hope, be found suitable for marriage parties and for parties attending places of pilgrimage. A similar metre gauge car on the South Indian Railway has met with a very favourable reception by the public, and we hope that those constructed by the North-Western and East Indian Railways will also be freely used.

Our Publicity Bureau in London has become so popular that it has been decided to take premises of our own and we are now in negotiation for the opening of a similar Bureau in New York. There can be no doubt of the value of the foreign tourist traffic to India and there are distinctly good signs of this improving under the Publicity campaign which is now being carried on in Europe.

I hope that some of the Honourable Members of this Council were able recently to visit the Exhibition, which the officers of our Publicity Department organised, and have been able to realise from it the extent of our activities in this line.

25. I have indicated, Sir, how our railway system is growing, and how our earnings are steadily improving. We have been able to show at the same time that the annual cost of keeping our rolling stock in repair has decreased in the last two years and that we hope for a further decrease next year. Moreover, we are carrying through our repairs more quickly so that rolling stock spends less time out of use and this means less capital expenditure on additional stock to carry the increasing traffic. We are also reducing our fuel consumption per unit of work done, and in other ways, as we know by our statistics, our operation work has noticeably improved. I do not mean to suggest that we shall rest satisfied with these results or that there is not ample scope for further improvement and progress; I can assure the Council that we try to keep our eyes open to any possible means of obtaining still better results in all ways. There are other matters on which I should have liked to speak in order that I might give the credit that is due to the various grades of our staff for their continued efforts, but I hope, Sir, that the results we have been able to show will be considered satisfactory by this Council, and that I have not wearied Honourable Members unduly by the length of my remarks.

BUDGET FOR 1929-30.

37

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1929-30 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.	Reference to page of detailed statement.
		Rs.	
	A.—EXPENDITURE FROM REVENUE.		
	<i>Commercial Lines—</i>		
1	Railway Board	12,61,000	1—3
2	Inspection	2,40,000	4
3	Audit	13,50,000	5—11
4	Working Expenses : Administration	13,32,00,000	12—15
5	Working Expenses : Repairs and maintenance and Operation.	39,38,00,000	16—19
6	Companies' and Indian States' share of surplus profits and net earnings.	1,25,00,000	20
9	Appropriation to Depreciation Fund	12,60,00,000	30—33
10	Appropriation from Depreciation Fund	10,50,00,000	34—37
11	Miscellaneous	17,50,000	38—55
12	Appropriation to the Reserve Fund	3,25,73,000	56
13	Appropriation from the Reserve Fund . . . . .	..	57
	<i>Strategic Lines—</i>		
14	Working Expenses and Miscellaneous	1,58,50,000	58
	B.—EXPENDITURE CHARGED TO CAPITAL.		
	<i>Commercial Lines—</i>		
7	New Construction	8,14,50,000	21—25
8	Open Line Works	24,85,67,000	26—29
	<i>Strategic Lines—</i>		
15	New construction and Open Line Works	47,50,000	59

Note.—These demands were voted by the Assembly in full.

BUDGET*

of the

Railway Revenue and Expenditure of the Governor-General in Council, March 1929.

RAILWAY DEPARTMENT;
New Delhi, the 31st March 1929.

P. R. RAU,
Financial Commissioner of Railways.

CONTENTS.

	Page.
1.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT from RAILWAYS in INDIA and ENGLAND	40—41
1 (a).—STATEMENT of WORKING EXPENSES of STATE RAILWAYS—COMMERCIAL LINES	42—43
2.—STATEMENT of the EXPENDITURE on RAILWAYS charged to the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	44—45
2 (a).—CONTRIBUTION from RAILWAY to GENERAL REVENUES, 1928-29 and 1929-30	46—47
3.—STATEMENT of RECEIPTS of the CENTRAL GOVERNMENT in INDIA and ENGLAND for CAPITAL CONTRIBUTED by RAILWAY COMPANIES and INDIAN STATES TOWARDS OUTLAY ON STATE RAILWAYS	48—49
4.—STATEMENT of the CAPITAL EXPENDITURE of the CENTRAL GOVERNMENT in INDIA and ENGLAND on RAILWAYS	50—51
A.—RAILWAY DEPRECIATION FUND	52
B.—RAILWAY RESERVE FUND	53

*Published with Government of India, Finance Department Resolution No. 11 (I)—19 dated 1st March 1929.

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class . .	4,47,79,538	...	...	4,47,79,538	4,50,00,000	..
Lower class . .	31,25,55,363	...	..	31,25,55,363	31,15,75,000	...
Other coaching traffic earnings.	6,17,17,009	...	...	6,17,17,009	6,00,00,000	...
Goods traffic earnings .	65,34,08,882	..	..	65,34,08,882	67,31,50,000	...
Hire charges and other payments from Railway..	80,91,409	...	...	80,91,409	65,00,000	...
Sundry earnings . .	1,92,39,117	6,43,141	5,234	1,98,77,492	1,68,57,000	6,43,000
TOTAL EARNINGS .	1,09,97,51,318	6,43,141	5,234	1,10,04,39,686	1,11,50,82,000	6,43,000
Deduct—						
Refunds of Revenue collected.	13,55,000	...	...	13,55,000	15,00,000	...
Earnings of worked lines.	7,18,05,764	...	...	7,18,05,764	7,37,25,000	...
Earnings of State Railways.	1,02,68,20,554	6,43,141	5,234	1,02,73,68,929	1,04,08,57,000	6,43,000
Suspense . . .	—9,36,360	..	...	—9,36,360	..	..
Gross receipts of State Railways.	1,02,58,84,194	6,43,141	5,234	1,02,63,33,569	1,04,08,57,000	6,43,000
Deduct—Working expenses of State Railways.*	62,82,77,456	46,77,343	14,306	63,29,69,005	64,19,44,000	46,26,000
Surplus profits paid to Indian States and railway companies.	1,57,13,502	..	...	1,57,13,502	1,79,00,000	..
Net receipts . . .	38,16,93,236	—40,34,202	—8,972	37,76,50,062	38,10,13,000	—39,63,000
(b) Strategic lines—						
Gross receipts . .	1,60,54,862	...	...	1,60,54,862	1,60,00,000	...
Deduct—Refunds of Revenue collected.	15,147	...	...	15,147	..	...
Working expenses . .	1,94,66,412	...	...	1,94,66,412	1,99,30,000	...
Net receipts . . .	—34,26,697	..	...	—34,26,697	—39,30,000	..
Total net receipts, Commercial and Strategic lines.	37,82,66,539	—40,34,202	—8,972	37,42,23,365	37,70,83,000	—39,63,000
XII.—Subsidized Companies:						
Government share of surplus profits, etc.	9,68,043	25,74,698	17,625	35,60,366	13,83,000	27,17,000
XII-A. Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances.	79,55,954	...	..	79,55,954	1,06,50,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	8,16,713	...	...	8,16,713	10,50,000	..
(b) Strategic lines—						
Interest on Depreciation Fund balances.	1,62,081	...	...	1,62,081	2,00,000	..
TOTAL RECEIPTS .	38,81,99,330	—14,59,504	8,658	38,67,48,479	39,03,66,000	—12,66,000

*For details see statement 1 (a).

BUDGET FOR 1929-30.

41

Government from Railways in India and England.

1928-29.			BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (-) as compared with Revised, 1928-29.
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1928-29.	India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	4,50,00,000	-12,25,000	4,03,00,000	...	...	4,02,00,000	+12,00,000
...	31,15,75,000	-24,55,000	31,40,75,000	...	...	31,40,75,000	+31,00,000
...	6,00,00,000	+27,73,000	5,98,00,000	...	...	5,98,00,000	-7,00,000
...	67,81,50,000	+2,51,44,000	67,62,50,000	...	...	67,62,50,000	+31,00,000
...	65,00,000	-1,52,000	68,00,000	...	...	68,00,000	+3,00,000
...	1,95,00,000	+12,90,000	1,58,57,000	6,43,000	...	1,95,00,000	...
...	1,11,57,25,000	+2,88,75,000	1,12,20,83,000	6,43,000	...	1,12,27,25,000	+70,00,000
...	15,00,000	-10,00,000	15,00,000	..	...	15,00,000	..
...	7,27,25,000	+44,15,000	6,77,25,000	...	...	6,77,25,000	-50,00,000
...	1,04,15,00,000	+2,49,80,000	1,05,38,57,000	6,43,000	..	1,05,38,00,000	+1,00,00,000
...
...	1,04,15,00,000	+2,49,80,000	1,05,38,57,000	6,43,000	..	1,05,38,00,000	+1,20,00,000
...	64,65,70,000	+2,08,82,000	64,68,72,000	48,27,000	...	65,17,00,000	+51,30,000
...	1,79,00,000	-3,00,000	1,28,00,000	...	..	1,28,00,000	-54,00,000
...	37,70,30,000	+48,68,000	39,34,84,000	-41,84,000	...	38,93,00,000	+1,52,70,000
...	1,60,00,000	+40,000	1,65,00,000	..	...	1,65,00,000	+5,00,000
...
...	1,29,30,000	+12,08,000	2,08,00,000	...	...	2,08,00,000	+3,70,000
...	-32,30,000	-11,68,000	-38,00,000	..	..	-38,00,000	+1,30,000
...	37,81,00,000	+37,00,000	38,90,84,000	-41,84,000	..	38,55,00,000	+1,24,00,000
...	41,00,000	-5,80,000	14,56,000	45,44,000	...	60,00,000	+19,00,000
...	1,06,50,000	+4,34,000	1,25,75,000	...	...	1,25,75,000	+19,25,000
...	10,50,000	+5,50,000	11,25,000	...	...	11,25,000	+75,000
...	2,00,000	-4,000	3,00,000	..	...	3,00,000	+1,00,000
...	38,81,00,000	+41,00,000	40,51,40,000	3,60,000	...	40,55,00,000	+1,64,00,000

BUDGET FOR 1929-30.

1(a).—Statement of Working Expenses of State

Heads of working expenses.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	12,64,51,807	46,77,343	14,206	13,11,43,356	13,12,74,000	42,28,000
Repairs and maintenance .	17,52,80,028	...	...	17,52,80,023	17,50,00,000	...
Operation	25,13,16,014	...	...	25,13,16,014	25,46,00,000	4,00,000
Depreciation	11,00,85,942	..	..	11,00,85,942	11,00,70,000	...
Suspense	2,97,388	...	...	2,97,388	...	..
TOTAL .	66,38,61,134	46,77,343	14,206	66,50,72,678	67,69,44,000	46,28,000
Deduct—Share of Worked Lines.	3,51,03,668			3,51,03,668	3,70,00,000	...
Working Expenses .	62,82,77,456	46,77,343	14,206	63,29,69,005	64,19,44,000	46,28,000

Railways—Commercial Lines.

1928-29.		Increase (+) Decrease (—) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (—) as compared with Revised, 1928-29.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	13,75,00,000	+ 68,00,000	13,36,73,000	44,27,000	.	13,75,00,000	
...	17,50,00,000	+ 66,00,000	17,10,00,000	...	...	17,10,00,000	—40,00,000
...	25,50,00,000	+ 1,05,00,000	25,59,00,000	4,00,000	...	25,63,00,000	+ 13,00,000
...	11,60,70,000	+ 4,42,000	12,18,00,000	...	...	12,19,00,000	+ 58,30,000
...	
.	68,35,70,000	+ 2,44,42,000	68,18,73,000	48,27,000	...	68,87,00,000	+ 31,30,000
...	3,70,00,000	+ 40,50,000	3,50,00,000	...	...	3,50,00,000	—20,00,000
...	64,65,70,000	+ 2,08,92,000	64,68,73,000	48,27,000	...	65,17,00,000	+ 51,30,000

2.—Statement of the expenditure on railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
(a) Commercial lines—						
Interest—						
on Government capital at charge .	14,23,67,001	10,12,64,969	4,97,146	24,41,19,106	16,20,04,000	10,36,79,000
on capital contributed by Indian States and Companies.	3,16,228	1,46,12,882	57,727	1,51,86,837	4,05,000	1,46,12,000
Total interest, commercial lines .	14,26,83,229	11,60,67,341	5,54,873	25,83,05,448	16,24,09,000	11,82,91,000
(b) Strategic lines—						
Interest on capital at charge .	1,24,02,657	...	...	1,24,02,657	1,42,20,000	...
TOTAL INTEREST	15,00,85,886	11,60,67,341	5,54,873	27,27,08,100	17,66,29,000	11,82,91,000
11. Subsidized Companies—						
Land and subsidy	5,32,515	...	...	5,32,515	8,00,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	40,16,943	7,91,210	3,697	48,11,850	33,02,000	9,88,000
Strategic lines	2,05,483	..	...	2,05,483	50,000	..
Payments to general revenues—						
Contribution*	5,40,29,358	...	...	5,40,29,358	5,23,19,000	...
One-third of the excess of railway surplus over three crores.	78,53,724	...	...	78,53,724	22,57,000	...
Total payment to general revenues .	6,27,83,082	.	...	6,27,83,082	5,45,76,000	...
12A—Surplus Railway Revenue transferred to Railway Reserve Fund.	4,57,07,449	...	..	4,57,07,449	3,45,14,000	..
TOTAL	29,36,31,358	11,88,58,551	5,58,570	38,37,46,479	26,88,71,000	11,92,29,000

* For details see Statement 2 (a).

BUDGET FOR 1929-30.

45

the revenue of the Central Government in India and in England.

1928-29			BUDGET ESTIMATE, 1929-30.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1928-29.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1928-29.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	26,56,38,000	+49,81,000	16,98,95,000	10,68,89,000	...	27,67,94,000	+1,11,11,000
...	1,50,17,000	-2,51,000	4,34,000	1,31,72,000	...	1,36,08,000	-14,11,000
...	26,07,00,000	+47,30,000	17,03,29,000	13,00,71,000	..	29,04,00,000	+97,00,000
...	1,42,30,000	+2,30,000	1,40,50,000	...	..	1,40,50,000	-1,70,000
...	29,49,30,000	+40,50,000	18,43,79,000	13,00,71,000	..	30,44,50,000	+96,30,000
...	8,00,000	-2,00,000	8,00,000	...	...	8,00,000	...
...	42,40,000	+65,000	41,10,000	10,46,000	...	51,55,000	+9,15,000
...	50,000	+25,000	50,000	..	...	50,000	...
...	5,23,19,000	+34,000	6,11,66,000	..	..	6,11,66,000	+88,67,000
...	22,67,000	-2,58,000	12,86,000	..	...	12,86,000	-9,71,000
...	5,45,76,000	-2,24,000	6,24,72,000	..	..	6,24,72,000	+78,96,000
..	3,45,14,000	-5,16,000	3,25,78,000	...	...	3,25,78,000	-19,41,000
...	35,91,00,000	+41,00,000	28,43,84,000	12,11,16,000	..	40,55,00,000	+1,64,00,000

BUDGET FOR 1929-30.

2 (a).—Contribution from Railway to General Revenues, 1928-29.

(Based on actuals, 1926-27)

	Rs.	Rs.
1. 1 per cent. on capital of 6,30,00,000 at charge, commercial lines . . . . .	..	6,30,00,001
2. (i) Receipts—commercial lines		
Gross traffic receipts	97,50,52,536	
Subsidised Companies, share of surplus profits	39,71,604	
Interest on Depreciation and Reserve Fund balances	62,61,651	
Dividend on investments in branch lines and miscellaneous receipts	4,75,175	
(ii) Charges—Commercial lines—		98,57,50,966
Working expenses	62,53,00,487	
Indian States and Railway Companies' share of surplus profits	1,65,55,739	
Interest—		
On capital at charge	22,98,44,919	
On capital contributed by Indian States and Companies	1,56,89,903	
Land and subsidy	5,21,204	
Miscellaneous railway expenditure	65,30,247	
Contribution at 1 per cent. on capital at charge	6,30,00,031	
(iii) Surplus . . . . .	...	2,68,08,426
(iv) Contribution of one-fifth of surplus . . . . .	...	56,61,685
3. (i) Total contribution from railway revenues [1 plus 2 (iv)] . . . . .	...	6,86,61,716
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 31,60,50,135	1,31,35,059	
(ii) Loss in working	32,07,200	
		1,63,42,259
(ii) Net payment due from railway to general revenues in 1928-29 . . . . .	...	5,23,19,457

2 (a).—Contribution from Railway to General Revenues, 1929-30.

(Based on actuals, 1927-28.)

	Rs.	Rs.
1. 1 per cent. on capital of 6,62,32,57,749 at charge, commercial lines . . . . .	...	6,62,32,577
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	1,02,68,32,569	
Subsidised Companies' share of surplus profits	35,60,866	
Interest on Depreciation and Reserve Fund balances	78,55,954	
Dividend on investments in branch lines and miscellaneous receipts	8,16,713	
(ii) Charges—Commercial Lines—		1,03,86,96,603
Working expenses	68,29,69,005	
Indian States and Railway Companies' share of surplus profits	1,57,13,503	
Interest—		
On capital at charge	24,41,19,105	
On capital contributed by Indian States and Companies	1,51,56,337	
Land and subsidy	5,32,515	
Miscellaneous railway expenditure	48,11,850	
Contribution at 1 per cent. on capital at charge	6,62,32,577	
		87,95,64,891
(iii) Surplus		5,91,30,711
(iv) Contribution of one-fifth of surplus		1,18,26,142
3. (i) Total contribution from railway revenues [1 plus 2 (iv)]		7,80,58,719
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 32,41,78,507	1,34,02,657	
(ii) Loss in working	84,70,089	
		1,68,72,746
(ii) Net payment due from railway to general revenues in 1929-30 . . . . .	...	6,11,85,963

BUDGET FOR 1929-30.

3.—Statement of receipts of the Central Government in India and England for State

HEADS OF ACCOUNT.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,	
	India.	England.	Exchange.	Total.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways . . .	21,594	..	..	21,594	..	83,14,000

Capital contributed by Railway Companies and Indian States towards outlay on Railways.

1928-29			BUDGET ESTIMATE, 1929-30.				
Exchange.	TOTAL.	Increase + Decrease — as compared with Budget, 1928-29.	India.	England.	Exchange.	TOTAL.	Increase + Decrease — as compared with Revised, 1928-29.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	58,14,600	-1,20,68,000	...	2,65,19,000	...	2,65,19,000	+1,82,05,000

BUDGET FOR 1929-30.

4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue :—						
53.—Construction of State Railways :—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock . . .	...	...	...	5,06,88,000	...	...
Other Works . . .	...	...	.	13,72,91,884	...	...
New Construction . .	...	...	.	9,91,07,000	...	...
Suspense . . .	...	...	..	2,78,36,000	...	..
Purchase of Railways and branch line shares . .	...	...	..	2,92,000	...	...
Deduct—Probable Savings .	...	...	...	...	.	...
TOTAL .	17,60,78,972	13,85,95,652	5,46,340	31,92,15,864	15,33,00,000	10,00,00,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock . . .	...	...	...	15,03,000	...	...
Other Works . . .	..	...	...	46,01,828	...	...
New Construction . .	...	...	...	35,15,484	...	...
TOTAL .	96,26,812	..	...	96,26,812	77,00,000	...
TOTAL COMMERCIAL AND STRATEGIC LINES .	18,57,00,284	13,85,95,652	5,46,340	32,48,42,176	16,00,00,000	10,00,00,000
53-A.—Discharge of Debentures . .	...	66,66,667	11,584	66,78,261	...	83,14,000
54.—Redemption of liabilities involved in purchase of Railways . .	...	.	...	...	...	4,00,00,000

BUDGET FOR 1929-30.

51

Central Government in India and England on Railways.

1928-29.			BUDGET ESTIMATE, 1929-30.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1928-29.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1928-29.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	3,48,00,000	-1,75,30,000	...	...	...	5,52,00,000	+2,84,00,000
...	13,12,50,000	+7,77,000	...	...	...	12,82,00,000	-30,50,000
...	8,88,00,000	-1,85,12,000	...	...	...	8,63,00,000	-24,00,000
...	-55,00,000	+45,47,000	...	...	...	-58,00,000	-4,00,000
...	31,50,000	+31,50,000	...	...	...	7,02,67,000	+8,71,17,000
...	...	-4,74,68,000	45,00,000	20,00,000	...	65,00,000	+65,00,000
...	25,23,00,000	+1,99,00,000	16,02,00,000	17,02,67,000	...	33,04,67,000	+7,81,67,000
...	5,00,000	-3,75,000	...	...	...	19,00,000	+14,00,000
...	23,00,000	-48,000	...	...	...	13,00,000	-10,00,000
...	40,00,000	+5,38,000	...	...	...	16,00,000	-38,00,000
...	77,00,000	+1,00,000	48,00,000	...	...	48,00,000	-29,00,000
...	26,00,00,000	+2,00,00,000	16,50,00,000	17,02,67,000	...	33,52,67,000	+7,52,67,000
...	88,14,000	-1,20,88,000	...	2,65,18,000	...	2,65,18,000	+1,82,06,000
...	4,00,00,000	...	...	...	...	...	-4,00,00,000

BUDGET FOR 1929-30.

A.—Railway Depreciation Fund.

	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30		Accounts, 1927-28	Budget Estimate, 1928-29	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	8,58,40,481	8,37,40,481	8,00,82,911	11,50,82,911	Appropriation from Depreciation Fund.	10,85,12,572	8,00,00,000	9,50,00,000	10,50,00,000
Appropriation to Depreciation Fund.	11,37,55,003	11,95,00,000	12,00,00,000	12,00,00,000	Closing balance.	8,00,82,911	12,22,40,481	11,50,82,911	13,00,82,911
TOTAL	19,95,95,483	21,32,40,481	21,00,82,911	24,10,82,911	TOTAL	19,95,95,483	21,22,40,481	21,00,82,911	24,10,82,911

BUDGET FOR 1929-30.

53

B.—Railway Reserve Fund.

	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance	11,27,62,361	16,00,54,361	11,54,69,810	19,29,83,810	Appropriation from Re- serve Fund.		...	...	.
Appropri- ation to Reserve Fund.	4,57,07,445	3,50,30,000	2,47,14,000	3,25,72,000	Closing Balance.	15,84,69,810	19,51,18,361	19,29,83,810	22,55,56,810
TOTAL	15,84,69,810	19,51,18,361	19,29,83,810	22,55,56,810	TOTAL	15,84,69,810	19,51,18,361	19,29,83,810	22,55,56,810

Explanatory Memorandum of the Railway Budget for 1929-30.

1927-28.

COMMERCIAL AND STRATEGIC LINES TOGETHER.

As usual our first duty is to acquaint the Legislature with the final results of last year's working; they did not differ very largely from the forecast which we made in February 1928 when we expected to contribute 6,36 lakhs to general revenues and to put 4,73 lakhs to our reserve. Right up to the end of the year traffic continued to be brisk, particularly on the Bengal Nagpur, Bombay, Baroda and Central India, and Madras and Southern Mahratta Railways, with the result that our gross receipts, after deducting refunds, amounted to 104,24 lakhs, forty-nine lakhs more than the revised estimate. But partly because the traffic carried was larger than we had anticipated, and partly because certain adjustments increased the miscellaneous railway expenditure of the year, our total charges (94,64 lakhs) exceeded the revised estimate by 73 lakhs. In the end, therefore, our surplus, after meeting all charges, was 24 lakhs less than the revised estimate. It reached, however, the satisfactory figure of 10,85 lakhs, more than three crores more than in 1926-27, and enabled us, after paying 6,28 lakhs as our contribution to general revenues, to place 4,57 lakhs to the railway reserve. In consequence the reserve amounted at the beginning of the current year to 15,85 lakhs.

The expenditure incurred from the depreciation fund (10,95 lakhs) was 25 lakhs more than we had expected in February, but was less by 43 lakhs than the appropriation made to the fund from revenue in accordance with the rules of the fund. With this addition to the balance the amount standing at the credit of the fund at the end of the year was 9,01 lakhs.

1928-29.

A.—Commercial lines.

2. As the following figures show, we have, at the time of writing, and with two of the months of heaviest traffic still to go, no reason to suppose that the net result of the working of commercial lines will differ substantially from the forecast which we made last February.

(Figures in lakhs of rupees.)

	Actuals, 1927-28.	1928-29.	
		Budget.	Revised.
Gross traffic receipts	1,02,77	1,01,90	1,04,30
Deduct—Refunds of revenue	14	25	15
Total earned over	1,02,63	1,01,65	1,04,15

BUDGET FOR 1929-30.

(Figures in lakhs of rupees.)

	Actuals, 1927-28.	1928-29.	
		Budget.	Revised.
Total Brought over	1,02,63	1,01,65	1,04,15
Interest on Depreciation and Reserve Fund balances .	80	1,02	1,06
Dividend on investment in Branch lines	8	5	11
Government share of profits, etc., from subsidised companies.	36	47	41
Total Receipts.	1,03,87	1,03,19	1,05,73
Working expenses	63,30	62,62	64,66
Surplus profits paid to Indian States and Railway Companies.	1,57	1,82	1,79
Interest charges	25,93	27,60	28,07
Miscellaneous charges	53	51	50
Total Charges .	91,33	92,55	95,02
Gain from Commercial lines	12,54	10,64	10,71

3. In some respects we have had a chequered year. A larger quantity of the cotton and ground nut crop than usual remained to be carried in the early months of 1928-29; and chiefly for this reason our earnings in April and May were sixty eight lakhs ahead of the previous year's figures. But the failure of the monsoon rains in the west of the United Provinces and the east of the Punjab and the strikes at Tatanagar and in the mill industry at Bombay had their effect on traffic; and until recently we failed to retain some of the increase in earnings which marked the first two months. For the remainder of the year, however, prospects of traffic are, on the information available to us, bright; and we think it reasonable to expect that our traffic receipts will reach a figure of 104,15 lakhs, or about a crore and a half more than they were last year. In more detail our present estimates are as follow :—

(Figures in lakhs of rupees.)

	Actuals, 1927-28.	1928-29.	
		Budget.	Revised.
Passenger earnings	35.73	36.02	35.66
Other coaching traffic	6.17	5.72	6.00
Total carried over .	41.90	41.74	41.66

(Figures in lakhs of Rupees).

	Actuals, 1927-28	1928-29.	
		Budget.	Revised.
Total Brought over	41,90	41,74	41,66
Goods earnings	65,34	64,50	67,31
Other earnings	2,80	2,40	2,60
Total	1 10,04	1,08,73	1,11,57
<i>Deduct—</i>			
Refunds of revenue	14	25	15
Worked lines	7,18	6,83	7,27
Suspense	—9	..	..
Net Total	1,02,63	1,01,65	1,04,15

4. Last year, with the express intention of encouraging long distance travelling, we announced very considerable reductions in third class passenger fares for distances over fifty miles on the East Indian, North Western, and Great Indian Peninsula Railways; and during the year the Bombay, Baroda and Central India, Madras and Southern Mahratta, and South Indian Railways followed suit, as did the Burma Railways when last January they came under State management. In one respect the result has been disappointing; the number of passengers carried between April and October fell by about four million, or approximately 1 per cent. But the ability of most people in this country to travel does not depend wholly on the fare which is charged; and since in the same period there has been a slight, but quite noticeable, tendency for the average journey travelled to increase—the passenger miles rose by nearly forty-nine million—we see no reason to suppose that the initial loss of revenue caused by last year's reductions will not be recovered fairly rapidly. In the present year, however, we must expect a decrease of seven lakhs in passenger earnings instead of the increase of twenty-nine lakhs which the attainment of the budget figure would have given us.

5. Goods earnings on the other hand should bring us in nearly two crores more than last year in spite of the reductions which have been made in the freight rates on certain commodities. Up to the end of October over sixty-three million tons of goods had been carried by the railways, an increase of more than two and three-quarter million over the figures for the same period of 1927-28; and the ton miles of goods carried in these seven months had risen by 377 million to 11,942 million. With one notable exception, traffic in all the principal commodities carried by the railways, and particularly in ground nuts, has been better than last year, and up to the 19th January 124,000 wagons more had been loaded on the broad gauge and 46,000 more on the metre gauge. By that date 67,000 wagons more had been loaded with grains and pulses, the increase being partly no doubt due to the movement of cereals into the areas of the United Provinces and the Punjab where the monsoon rains failed. There were also increases of 87,000 miscellaneous full wagons and 36,000 miscellaneous smalls, the loading of which we generally take as an indication of the

condition of internal trade ; and there were smaller increases of about 12,000 and 5,000 respectively in the number of wagons loaded with oil seeds and cotton. The one exception has been coal and coke. Here, up to the 19th of January, nearly 38,000 wagons less had been loaded than in the corresponding period of last year, though there has, so far as our information goes, been no falling off in the export trade.

It is in our opinion too early yet to gauge the effect of the reductions which have been made in the rates on kerosene oil, manures and oil cake, jagree, and petrol. All we can say is that in the period from June to October there was a marked increase in the traffic in oil cake and petrol on all the four State-managed railways in India, and in jagree on the North Western and East Indian Railways. On the other hand the traffic in kerosene oil has been disappointing, and did not, during these months, reach even the volume which was attained in the previous year.

6. The present estimates of working expenses are compared with the budget figures, and those of 1927-28, in the following table :—

(Figures in lakhs of rupees.)			
	Actuals, 1927-28.	1928-29.	
		Budget.	Revised.
Administration	13,12	13,06	13,75
Repairs and maintenance	17,52	16,84	17,50
Operation	25,13	24,45	25,50
Depreciation	11,01	11,56	11,61
Suspense	3	..	..
Total	66,81	65,91	68,36
<i>Deduct—</i>			
Worked lines	3,51	3,29	3,70
Net working expenses	63,30	62,62	64,66

7. The expenditure classified as "Administration" is likely to be sixty-three lakhs higher than it was in 1927-28.

Partly of course the rise is due to the larger traffic which railways have carried and to the staffing of new lines of which we hope to open 1,100 miles this year ; but to the extent of about thirty-five lakhs there is a special reason for it. During the current year the South Indian Railway Administration transferred their workshops from Negapatam to Trichinopoly and the Bombay, Baroda and Central India Railway took preliminary steps for a similar transfer from Parel to Dohad ; and to minimise any hardship that might thereby be caused to their workmen both railways offered generous gratuity terms to men who would not be transferred. The cost of these special gratuities on the South Indian Railway, and to some extent on the Bombay, Baroda and Central India Railway, will be borne in the current year.

8. At our estimate of seventeen and a half crores the cost of repairs and maintenance will be practically the same as last year, but we can fairly claim that more

Repairs and maintenance. will have been done for the same money. The Great Indian Peninsula Railway will receive thirty lakhs less as credits to revenue on account of released materials than it did in 1927-28 and has to charge to revenue nearly sixteen lakhs owing to the abandonment of the old alignment at Bhoreghat. But for these adjustments, the cost of repairing and maintaining the track and station buildings, etc., would have been put no higher than last year's figure of five hundred and ninety-six lakhs, in spite of the increase in mileage opened to traffic. The cost of repairing and maintaining rolling stock is likely to be about fourteen lakhs less than in 1927-28; and for the sum of nine hundred and ten lakhs, at which we now estimate it, a considerably larger number of locomotives, carriages and wagons will be repaired than in 1927-28 or than we expected at the beginning of the current year to be able to put through the shops. In our memorandum last year we gave several examples of the reductions which had already been attained in the cost of repairs; it will be sufficient if we now cite one or two instances to show that the improvement is still continuing. On the Eastern Bengal Railway the average cost of a standard locomotive repair was Rs. 2,000 less in November 1928 than in November 1927, and the number of days that a locomotive was out of commission and undergoing repairs in the shops fell from about ninety-two to sixty-four. On the North Western Railway the cost of repairing a passenger carriage fell from Rs. 776 in November 1927 to Rs. 650 in November 1928, and each carriage was only twenty-eight days in the shops instead of forty-two. On the South Indian Railway the cost of repairing a metre gauge wagon fell in the same period from Rs. 260 to Rs. 152. Similar and in some instances more striking reductions in cost occurred on other railways. The point which we wish to emphasize by giving these figures is that the reduction in our bill for repairs has not been attained by any relaxation of our standards of maintenance, which are now probably higher than they have ever been before, but by definite economies in the cost of each repair operation which the modernization of the railway workshops has enabled us to secure.

9. There is not very much deserving comment in the revised estimates of

Operation. the cost of operation. In order to cope with the increased traffic which we have obtained this year, and to man the new lines that have been opened, additional station and running staff has been engaged; and some expenditure has also been incurred on raising the pay of lower paid employees, and giving effect to the principles underlying the Washington and Geneva Conventions. As a result we expect the operating staff to cost about thirty-six lakhs more this year than last, while the larger train mileage has also led to an increase, which we estimate at six lakhs, in the bill for running stores and miscellaneous items. The efforts of railway administrations to reduce their coal consumption, which were described in last year's memorandum, are continuing to give good results; for example, on the latest available figures, the East Indian Railway has reduced its consumption on passenger carrying trains by fourteen pounds per thousand gross ton miles and on goods trains by six and a half pounds. For this reason, and because we had to pay about five annas less a ton for market coal this year than in 1927-28, we can expect the total coal bill to be reduced by ten and a half lakhs, in spite of the increased train mileage. Freight and handling charges are also likely to be lower by about thirteen lakhs, owing to the smaller quantity carried; and it is only because with the growth in electrified service,

electric power will cost about fourteen and a half lakhs more than in 1927-28, that the total charges for fuel do not show a larger drop than about nine lakhs.

10. Taking repairs and maintenance and operating costs together, we expect the expenditure to amount to forty-three crores or about thirty-five lakhs more than last year. But part of the increase will be borne by the Companies and Indian States whose lines we work for them, so that the total extra charge that will fall on us should not exceed thirteen lakhs. Seeing that we anticipate an increase of one hundred and fifty two lakhs in our traffic receipts we hope that this prospective result of the year's working will be considered not unsatisfactory.

11. The remaining charges need only a brief explanation. Our payments of surplus profits to Indian States and Companies will exceed last year's figure by 22 lakhs, since the Burma Railways Company will receive their share of surplus profits earned in 21 months instead of in 1 year. Owing to the large capital expenditure which is being incurred on the improvement and development of the railway property, we shall have, under the rules of the depreciation fund, to set aside sixty lakhs more than last year for depreciation; and largely for the same reason our interest charges are likely to be two hundred and fourteen lakhs higher. About fifty-eight lakhs of the last sum represents, however, the value of the income tax concession on certain loans, part of the proceeds of which were devoted to railway purposes; this concession is, of course, part of the real cost of borrowing to Government, and it has therefore been decided that account should be taken of it in calculating the average rate of interest to be charged to railways on railway capital expenditure.

B. —Strategic Lines.

12. The usual figures are given in the following statement :—

(Figures in lakhs of rupees)

	1928-29.		
	Actuals, 1927-28.	Budget.	Revised.
Gross traffic receipts	1,60	1,60	1,60
Interest on balances of Depreciation Fund . .	2	2	2
Total Receipts . .	1,62	1,62	1,62
Working expenses (including depreciation) . .	1,95	1,87	1,99
Interest charges	1,34	1,40	1,42
Miscellaneous	2	1	1
Total Charges . .	3,31	3,28	3,42
Net loss in working	1,69	1,66	1,80

The interest charges are increasing owing to the construction of the Khyber and Qilla Saifullah-Pit Sandeman railways which are nearly completed.

C.—Summary of results.

13. We can now proceed to sum up the probable results of 1928-29, as they at present appear to us. Our total receipts from commercial lines seem likely to amount to 1,05,73 lakhs, an increase of 1,86 lakhs over last year's figure. Our charges on commercial lines are, for the reasons which we have explained, likely to be 3,69 lakhs higher than last year, and to amount to 95,02 lakhs; and we shall be left with a surplus of 10,71 lakhs, 183 lakhs less than the surplus last year, but 7 lakhs more than we expected when this year's budget was drawn up. Of this surplus, 1,80 lakhs are required to meet the loss on strategic lines; general revenues will receive 5,46 lakhs; and there will be left 3,45 lakhs to place to the railway reserve.

On these estimates the balance in the reserve at the end of the current year will be 19,30 lakhs. The withdrawals from the depreciation fund in the current year are expected to amount to 9,50 lakhs against a payment of 12,00 lakhs into the fund; and the balance in the fund should therefore be increased by 2,50 lakhs to 11,51 lakhs.

14. In the course of the current year third class passenger fares were reduced on all railways, which are now State-managed, except the Eastern Bengal Railway. The position on this railway needed careful examination, since for many years it had not been financially strong, and there was no previous experience of the effect of introducing a telescopic rate for third class passenger traffic by ordinary trains. Its financial position is now improving, and we have decided that the time has arrived when we can without risk, and with good hope of increased profits after no long interval, reduce third class passenger fares for longer distances on this railway, as we have done on the other State-managed railways. At present a flat rate of 3½ pies per mile is in force. The scale it is proposed to introduce is as follows:—

Miles.	Pies per mile.
1—150	3½
151—300	2½
over 300	1½

This would cost about 8½ lakhs if no increase in traffic resulted; but the reduction is substantial and there should be a quick increase. We put the loss in earnings next year at 5 lakhs.

15. We propose to adopt two other measures to stimulate traffic, which, though not of the first importance, are perhaps of sufficient general interest to obtain a mention in this memorandum.

(i) We believe that there is a good opening for an increased sale of fresh fruit and vegetables in this country, if the cost can be brought down. The Great Indian Peninsula Railway already carries such produce at a low rate; but substantial reductions will be made as quickly as possible in the rates on the East Indian, North Western and Eastern Bengal Railways.

(ii) There is also an opening for increased traffic in forest produce from Assam, Northern Bengal and the Central Provinces, if the freight rates are brought down. The Eastern Bengal Railway propose accordingly to reduce their rates on unwrought wood, charcoal, firewood and crushed bamboos; and the Great Indian Peninsula Railway on wrought and unwrought timber, bullies, rafters, firewood, grass and charcoal.

The traffic should, in both cases, respond very quickly, but must take a little time to develop, and we must be prepared to face a drop of 7 lakhs in gross earnings next year as a result of these reductions.

16. Throughout the current year the Railway Board have been engaged on a careful examination of the present rates charged for the carriage of coal, coke and patent fuel. The position as we see it is as follows. Though the export trade has been satisfactory there has been in the current year a decline in the number of wagons loaded with coal, and there has also been a perceptible drop since 1925-26 in the average mileage a ton of coal has been carried on the East Indian and Bengal Nagpur Railways. It will be to our advantage, in the long run, to stimulate the long distance traffic by a substantial reduction in freight rates, and to do so will assist an industry which is badly in need of encouragement; to do so should also benefit up-country industries and lead to an increase in the traffic we can expect to get from these industries. We must, of course, expect some immediate falling off in our earnings, but we think it should only be temporary and short lived, especially as the reductions made in March 1926 were followed in two years on the East Indian Railway by an increase of 31 per cent. in long distance tonnage, and 33 per cent. in the earnings from long distance traffic. And our financial position is sufficiently strong for us to face the immediate loss.

The existing scale of rates for coal, coke and patent fuel carried for distances exceeding 400 miles is as follows :—

	Per maund per mile.
From 1—200 miles	0·15 pie.
plus	
From 201—500 miles	0·07 „
plus	
From 501 miles onwards	0·06 „

We propose to introduce the following reduced scale for coal, coke, and patent fuel carried for distances exceeding 400 miles as quickly as possible on the East Indian, North Western, Great Indian Peninsula and Eastern Bengal Railways, and we have every hope that the Company-managed railways will agree to its adoption on their lines.

	Per maund per mile.
From 1—200 miles	0·15 pie.
plus	
From 201—400 miles	0·06 „
plus	
From 401 miles onwards	0·05 „

We estimate that the reduced charge would mean a drop of about 62 lakhs in our gross earnings, if no increase in traffic resulted; but with the stimulus which it should give to the traffic, we place the loss in gross earnings next year at about 53 lakhs.

We will give a few examples of what this reduction means. The rate per ton including terminals, etc., from the Jharia coalfields to Cawnpore will be reduced by nine annas; to Delhi by thirteen annas; to Amritsar by one

rupee five annas, and to Karachi City by one rupee thirteen annas; to Bombay the reduction will be one rupee six annas; to Ahmedabad one rupee seven annas, and to Madras one rupee four annas. As a whole the reduction may be taken to amount to about 10 per cent. of the present charge.

A specially low rate is now charged on the Great Indian Peninsula Railway for coal, coke, and patent fuel from the Central Provinces coalfields. We propose to make reductions in this rate also for distances over two hundred miles, maintaining approximately the existing proportion between the rates from the Bengal coalfields and those from the Central Provinces coalfields.

1929-30.

A.—Commercial Lines.

17. The principal figures of the estimates for next year for commercial lines are compared with the revised estimates for the current year in the following statement :—

(Figures in lakhs of rupees.)

	Revised, 1928-29.	Budget, 1929-30.
Gross traffic receipts	1,04,30	1,05,50
Deduct—refunds of revenue	15	15
Total	1,04,15	1,05,35
Interest on balances of depreciation and reserve funds . .	1,06	1,26
Dividend on investment in branch lines	11	11
Government share of profits, etc., from subsidised companies .	41	60
• Total Receipts	1,05,73	1,07,32
Working expenses	64.66	65,17
Surplus profits paid to Indian States and Railway companies .	1,79	1,25
Interest charges	28,07	29,04
Miscellaneous charges	50	60
Total Charges	95,02	96, 6
Gain from commercial lines	10,71	11,26

18. The estimates of gross traffic receipts in 1929-30 assume, as usual,

Gross traffic receipts that the monsoon rains will be normal and that there will be a continued growth of traffic bringing in 1,20 lakhs of extra revenue after allowance has been made for the effect of the reductions in rates and fares which we have already

BUDGET FOR 1929-30.

described. The more detailed estimates of earnings are compared with the revised estimate of the current year in the following statement :—

(Figures in lakhs of rupees.)

	Revised, 1928-29.	Budget, 1929-30.
Passenger earnings	35,66	36,09
Other coaching traffic	6,00	5,93
Total	41,66	42,02
Goods earnings	67,31	67,62
Other earnings	2,60	2,63
Total	1,11,57	1,12,27
<i>Deduct—</i>		
Refunds of revenue	15	15
Worked lines	7,27	6,77
Net total	1,04,15	1,05,35

In arriving at these figures we have assumed that there will be an increase from 21,000 million to 21,200 million in passenger miles, and from 22,000 million to 22,100 million in ton miles of goods carried.

19. A few remarks are necessary about the estimates of other receipts.

Other receipts. We should get twenty lakhs more than this year as interest on the higher balances of our reserve and depreciation funds, and, for a special reason, may expect to receive nineteen lakhs more as the Government share of the profits of subsidized companies. This is because the Southern Punjab Railway will be acquired by Government on the 1st of January 1930, and our share of the profits earned in a year and nine months, instead of only one year, will fall due for payment before the close of the financial year.

20. The estimates of working expenses are given with the figures of the revised estimate for this year in the following table :—

Working expenses.

(Figures in lakhs of rupees.)

	Revised, 1928-29.	Budget, 1929-30.
Administration	13,75	13,75
Repairs and maintenance	17,50	17,10
Operation	25,50	25,63
Depreciation	11,61	12,19
Total	68,36	68,67
<i>Deduct—</i> Worked lines	3,70	3,50
Net working expenses	64,66	65,17

It will be seen that we hope to be able to carry additional traffic bringing in a hundred and twenty lakhs in receipts with a reduction of twenty-seven lakhs in the cost of administration, operation and repairs and maintenance.

21. It will be observed that we hope to keep the expenditure brought to

Administration.

account as "Administration" down to this year's figure; and we should actually have placed it ten lakhs lower, but that we are providing for the present a sum of ten lakhs for improving the service conditions of lower paid railway employes. It is our intention during the coming year to start a thorough examination of the rates of pay and wages, and other conditions, under which the lower paid classes of railway servants are employed, with the object of removing any legitimate grievances that may be found to exist; and we have already in fact had preliminary consultations with Agents of Railway Administrations on the subject. It will be realised that the enquiry must take some time to complete, for it will entail the detailed investigation of the service conditions in numerous branches and departments, and it by no means follows that what will be found to be required is merely the increase in certain cases of the minimum wage: it is perhaps as likely to be a reduction of working hours, which will mean additional relieving staff, an extension of provident fund benefits to classes who do not at present enjoy them, or an improvement in housing conditions. But we hope that if our organisation can be strengthened by the addition of a new Member to the Railway Board, who will be charged with the care of this and cognate questions, the completion of the task will be much accelerated. We find it impossible to make any accurate estimate of the sum likely to be required in 1929-30 on this account: provisionally we have assumed that schemes costing half a crore annually will be ripe for introduction during the course of the year, and we are also providing specially in our capital estimates a sum of thirty lakhs for additions to and improvements in staff quarters. Since the schemes will not, in any case, be in force for the full year, we have for the moment assumed that the revenue expenditure in 1929-30 will amount to twenty-eight lakhs, and have provisionally distributed this sum, as to ten lakhs under Administration and eighteen lakhs under Repairs and Maintenance and Operation. But, as we have explained, the figure of half a crore on which these estimates are based is, pending the investigation, little more than guess work, and we shall not hesitate to take steps to increase it, if more is found to be needed.

22. Repairs and maintenance should cost us forty lakhs less than this

Repairs and Maintenance

year although there will be 1,100 miles of line more to be kept in order. This is chiefly because the special debits to revenue on the Great Indian Peninsula Railway will not recur, but we are also expecting a saving of seventeen lakhs in the cost of repairing rolling stock. The South Indian Railway in particular hope to reduce the cost of a standard repair very substantially now that their new works at Golden Rock, Trichinopoly, have been opened.

23. Owing partly to the additional mileage which will be opened to traffic

Operation.

and partly to increments in pay, the cost of station and running staff is likely to be thirty lakhs higher next year, while, as we have explained, we have also provided under Operation a sum of eighteen lakhs for improving the service conditions of lower paid employes. We expect, however, the increases here to be practically counterbalanced by a reduction in the cost and freight of coal. We have recently obtained offers of coal for the State-managed railways in India at prices which average about four annas less per ton than this year; and have, therefore

decided to place contracts for rather over 2,300,000 tons for these railways in the open market—about 100,000 tons more than we shall be purchasing this year—and to restrict the raisings from State-owned collieries to about 1,600,000 tons—about 100,000 tons less than this year's raisings. In addition, we are purchasing in the market 245,000 tons for the Burma Railways. Though we are expecting increased traffic we are hopeful that further economies in fuel consumption will keep our total requirements of coal down to this year's figure, while the proposed reduction in the freight on coal should lead to a decrease of thirty-five lakhs in freight and handling charges. Finally we expect ten lakhs more to be required for electric power; and owing principally to the purchase of the Southern Punjab Railway twenty lakhs less than last year is likely to be recovered from Companies whose lines we work for them.

24. Owing to the heavy capital programme on which we have been engaged,

Other charges.

the estimated appropriation for depreciation, in accordance with the rules of the depreciation fund, is fifty-eight lakhs more than the revised estimate, and we have also for the same reason to expect a rise of ninety-seven lakhs in interest charges. On the other hand, owing to the acquisition of the Burma Railways we should have to pay fifty-four lakhs less in surplus profits to Indian States and Railway Companies. Lastly, miscellaneous charges are likely to rise by ten lakhs. Here, the principal reasons for the increase are the proposal to appoint a new Member on the Railway Board, to which we have already alluded, and the establishment which will work under him, and the creation, on the separation of railway accounts from audit, of two new audit offices on the Great Indian Peninsula and North Western Railways, and of the office of the Controller of Railway Accounts.

B.—Strategic lines.

25. The figures of the revised estimates and the budget estimates for next year are given in the following table. They do not require any special comment.

(Figures in lakhs of rupees.)

	Revised, 1928-29.	Budget, 1929-30.
Gross traffic receipts	1,60	1,65
Interest on balances of depreciation fund	2	3
Total receipts	1,62	1,68
Working expenses (including depreciation)	1,99	2,03
Interest charges	1,42	1,40
Miscellaneous	1	1
Total charges	3,42	3,44
Net loss in working	1,80	1,76

C.—Summary.

26. The final result of the estimates which we have now discussed in detail is as follows. Though we expect that the proposed reductions in fares and freights will diminish our gross traffic receipts by sixty-five lakhs, chiefly on account of coal, we think it reasonable to assume total receipts from commercial lines in 1929-30 of 1,07,32 lakhs, or a hundred and fifty-nine lakhs more than we seem likely to get this year. Our total charges on commercial lines are put at 96,06 lakhs, a hundred and four lakhs more than this year; and, on these estimates we shall obtain a surplus of 11,26 lakhs from commercial lines, or fifty-five lakhs more than we are expecting this year. To the extent of a hundred and seventy-six lakhs, the surplus is required to meet the prospective loss on strategic lines; and of the balance of nine hundred and fifty lakhs, six hundred and twenty-five lakhs will go to general revenues, and three hundred and twenty-five lakhs to the railway reserve.

If this forecast proves accurate, the balance in the reserve at the end of next year will be 22,55 lakhs. The withdrawals from the depreciation fund for expenditure on renewals and replacements are estimated at 10,50 lakhs, against an appropriation of 12,60 lakhs from revenue: and on these figures the balance in the fund will by the end of 1929-30 be raised by two hundred and ten lakhs to 13,61 lakhs.

Capital Expenditure.

27. Full details of the capital expenditure likely to be incurred this year and in contemplation for 1929-30 with the customary tables are given, as last year, in an appendix to this memorandum.

With the improved organisation which railway administrations now possess it has been possible to make greater progress than we expected last February towards the completion of the many works which they have in hand, and as a result we expect our capital expenditure this year to exceed by two crores the budget estimate of twenty-four crores, and in addition four crores are required for the purchase of the Burma Railways. It is in the opening of new lines that progress has been most marked. Railway administrations expected this time last year that they would be able to open 885 miles of new line and, though we thought them rather optimistic, we ourselves did not anticipate that the mileage would fall far short of 800 miles. It is gratifying to observe that the latest estimate of the lines opened and to be opened in the current year is 1,100 miles.

28. In framing our programme of capital expenditure for next year we have acted on the principle that railway administrations should concentrate their efforts on a smaller number of new schemes, in order to push them through as rapidly as possible to completion, and obtain an early return on the money expended on them, instead of dissipating their energies by using up the funds available on a large number of projects and consequently lengthening the period before which they can be completed piling up interest charges and postponing the date by which they will begin to yield a return on their cost. At the same time, with the experience we have now gained of the present capacity of railways to carry out the work in their programmes, we have reduced to a minimum the over-allotments for capital expenditure that we have recently been in the habit of making. The total over-allotment in 1929-30 on a proposed capital expenditure of 25½ crores both for open lines and new lines is only 6½ lakhs.

29. The only important item that may be called new in our programme of capital open line expenditure in 1929-30 is the remodelling of the Jamalpur workshops; but we would again invite attention to the special provision of 30 lakhs in 1929-30 which we are proposing to distribute among railway administrations for additions to and improvements in the staff quarters of their lower paid employees.

30. Our programme of new construction has, as already stated, been based on the desirability of concentrating our efforts on the completion of lines that have already been taken up, and the only new line of any great importance that it is proposed to commence next year is the Dacca-Aricha, costing about two crores. As a result of this policy, it is interesting to note that the balance to completion of the expenditure on works that find a place in this year's budget is only 13½ crores as against about 33 crores last year. The length of new lines that railway administrations hope to open in 1929-30 is 580 miles. This year they have done better than our expectations, and we trust that in 1929-30 the new mileage opened will not be much less than 600.

31. In addition to a total of 26½ crores of ordinary expenditure, of which 8½ is for the construction of new lines, a capital expenditure of about 7 crores will be incurred on the purchase of the Southern Punjab Railway. This purchase has important administrative advantages and is moreover expected to increase our net annual revenue by about 47 lakhs. Our total capital expenditure on these estimates in 1929-30 will be about 33½ crores, and we expect at the same time to reduce our stores balances by half a crore to about 16½ crores.

Conclusion.

32. Finally we wish to express our grateful thanks to the Standing Finance Committee for Railways for the assistance which they have given to us, not only in connection with the budget, but in our work throughout the year. The estimates of charges, and the demands for grants, in 1929-30 have been examined by them in detail and have secured their approval, except that by a majority they found themselves unable to accept the proposal for the creation of an additional appointment of Member of the Railway Board, and the establishment to work under him. The amount provided in the estimates for 1929-30 for this purpose is Rs. 84,000 of which Rs. 64,000 are voted expenditure.

F. A. HADOW,

Officiating Chief Commissioner of Railways.

A. A. L. PARSONS,

Financial Commissioner of Railways.

NEW DELHI :

12th February 1929.

BUDGET FOR 1929-30.

69

APPENDIX I.

CAPITAL EXPENDITURE.

The total capital expenditure on State-owned railways in the three years 1927-28 to 1929-30 is set out in the table below :—

	Actuals, 1927-28.	1928-29.		Budget, 1929-30.
		Budget.	Revised.	
England—				
Sterling pay- ments. £	10,394,674	12,486,100	10,500,000	12,920,025
Converted into rupees at 1s. 6d. to the rupee. Rs.	13,85,95,653	16,64,81,000	14,00,00,000	17,22,67,000
Exchange . Rs.	5,46,240	..	..	..
Total England . Rs.	13,91,41,893	16,64,81,000	14,00,00,000	17,22,67,000
Probable savings Rs.	..	3,98,14,000	..	20,00,000
Net England . Rs.	13,91,41,893	12,66,67,000	14,00,00,000	17,02,67,000
India—				
Payments in India Rs.	18,57,00,284	16,00,87,000	16,00,00,000	16,95,00,000
Probable savings Rs.	..	76,54,000	..	45,00,000
Net India . Rs.	18,57,00,284	15,33,33,000	16,00,00,000	16,50,00,000
Total England and India Rs.	32,48,42,177	28,00,00,000	30,00,00,000	33,52,67,000

BUDGET FOR 1929-30.

2. The statement below gives a comparison of the allotments made for open lines and lines under construction during the same period (*viz.*, 1927-28 to 1929-30) under commercial and strategic lines separately :—

(Figures in thousands of rupees.)

	Actuals, 1927-28.	Revised Estimates, 1928-29.	Budget Estimates, 1929-30.
Commercial.			
Purchase price of :—			
Burma Railways . . . . .	..	4,00,00	..
Mirpur Khas Jhudo Railway . . . . .	..	11.50	..
Southern Punjab Railway . . . . .	..	..	7,02,67
Purchase of branch line shares	2,92	20,00	..
Staff Quarters . . . . .	..	..	30,00
Open lines (including rolling stock)	21,58,17	16,05,50	17,75,00
Total	21,61,09	20,37,00	25,07,67
Deduct—probable savings . . . . .	..	..	20,00
Net open lines (Commercial)	21,61,09	20,37,00	24,87,67
Lines under construction .—			
(a) started in previous years	9,91,07	8,86,00	{ 8,27,00
(b) started in current year			{ 35,00
Total	9,91,07	8,86,00	8,62,00
Deduct—probable savings . . . . .	..	..	45,00
Net lines under construction	9,91,07	8,86,00	8,17,00
Total Commercial	31,52,16	29,23,00	33,04,67
Strategic.			
Open lines (including rolling stock)	61,11	28,00	32,00
Lines under construction :—			
(a) started in previous years	35,15	49,00	16,00
(b) started in current year			
Total Strategic	96,26	77,00	48,00
Total Commercial and Strategic Lines	32,48,42	30,00,00	33,52,67

BUDGET FOR 1929-30.

71

3. The distribution of the budget grant for 1929-30 is as follows :—

(Figures in thousands of rupees.)

Railways.	Open Lines			New Construction.		
	Rolling Stock	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by the State.</i>						
Burma Railways—						
<i>New Construction—</i>						
Kayan Thongwa . . . . .	..	..	..	1,60	..	1,60
Heho Shwenyaung . . . . .	..	..	..	45	..	45
Taungdwingyi Kyaukpa-daung.	..	..	..	17,00	..	17 00
Myingyan Natogyi Paleik	..	..	..	24,00	..	24,00
Nyaunglebin Madauk . . . . .	..	..	..	3,45	..	3,45
Minbu and Pakkokku District.	..	..	..	50,00	..	50,00
Sagaing Bridge . . . . .	..	..	..	50,00	..	50,00
<i>Open line</i>	66,75	73,75	1,40,50	..	..	..
Total	66,75	73,75	1,40,50	1,46,50	..	1,46,50
Eastern Bengal Railway—						
<i>New Construction—</i>						
Baruipur Lakshmikantapur.	..	..	..	5,00	..	5,00
Abdulpur Nawabganj . . . . .	..	..	..	22,00	..	22,00
Purnea Murliganj . . . . .	..	..	..	13,50	..	13,50
Kalukhali Kamarkhali Bhateapara.	..	..	..	30,00	..	30,00
Dacca Aricha . . . . .	..	..	..	..	27,00	27,00
Tangla Belsiri . . . . .	..	..	..	..	2,00	2,00
<i>Open line</i>	91,00	60,50	1,51,50	..	..	..
Total	91,00	60,50	1,51,50	70,50	29,00	99,50
East India n Railway—						
<i>New Construction—</i>						
Central Indian Coalfields . . . . .	..	..	..	22,76	..	22,76
Calcutta chord . . . . .	..	..	..	77,19	..	77,19
Lucknow Sultanpur Zafarabad.	..	..	..	50,00	..	50,00
Unao Madhoganj . . . . .	..	..	..	24,55	..	24,55
Chandpur Bijnor Muazzampur Narain.	..	..	..	12,00	..	12,00
<i>Open line</i>	55,75	1,76,25	2,32,00	..	..	..
Total	55,75	1,76,25	2,32,00	1,86,50	..	1,86,50

Railways.	Open Lines			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Great Indian Peninsula Railway—						
<i>New construction—</i>						
Agra Bah . . .	..	..	..	30	..	30
Darwha Pusad . .	..	..	..	12,00	..	12,00
Hiwarkhed Akot Akola Basim.	..	..	..	29,70	..	29,70
Khamgaon Chikli . .	..	..	..	15,00	..	15,00
<i>Open Line . . .</i>	80,00	2,89,00	3,69,00	..	..	..
Total . .	80,00	2,89,00	3,69,00	57,00	..	57,00
North-Western Railway—						
Commercial lines—						
<i>New construction—</i>						
Kangra Valley . . .	..	..	..	6,50	..	6,50
Chiniot Kushab . .	..	..	..	19,00	..	19,00
Kalabagh Bridge . .	..	..	..	15,00	..	15,00
Lyallpur Chananwala .	..	..	..	4,50	..	4,50
Batala Beas . . .	..	..	..	1,00	..	1,00
Sind Left Bank Feeders .	..	..	..	25,00	..	25,00
<i>Open Line . . .</i>	90,00	1,19,00	2,09,00	..	..	..
Total . .	90,00	1,19,00	2,09,00	71,00	..	71,00
North Western Railway						
(Strategic Lines)—						
<i>New construction—</i>						
Khyber . . .	..	..	..	12,25	..	12,25
Killa Saifullah . .	..	..	..	3,75	..	3,75
<i>Open Line . . .</i>	19,00	13,00	32,00	..	..	..
Total .	19,00	13,00	32,00	16,00	..	16,00
State Railway Collieries .	..	3,80	3,80	..	..	..
Total State Lines managed by the State . . .	4,02,50	7,35,80	11,37,80	5,47,50	29,00	5,76,50

BUDGET FOR 1929-30.

73

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by Companies or Indian States—</i>						
Assam Bengal Railway—						
<i>New construction—</i>						
Sibsagar Road Khowang .. .. .	..	..	..	50	..	50
Furkating Badulpara Jorhat . . . . .	..	..	..	15	..	15
Karimgunj Longai Valley .. .. .	..	..	..	50	..	50
Netrokona Mohangunj . . . . .	..	..	..	2,00	..	2,00
Shaistagunj Habigunj . . . . .	..	..	..	35	..	35
Feni Belonia . . . . .	..	..	..	4,00	..	4,00
Shaistagunj Balla . . . . .	..	..	..	2,50	..	2,50
Senchoa Mairabari . . . . .	..	..	..	9,50	..	9,50
Chittagong Fatikchari (Nazirhat) . . . . .	..	..	..	9,00	..	9,00
Chittagong Duhazari . . . . .	..	..	..	20,00	..	20,00
<i>Open Line</i>	28,00	14,50	42,50	..	..	..
Total	28,00	14,50	42,50	48,50	..	48,50
Bengal Nagpur Railway—						
<i>New construction—</i>						
Tumsar Tirodi Conversion .. .. .	..	..	..	7,50	..	7,50
Raipur Vizianagram . . . . .	..	..	..	90,00	..	90,00
<i>Open Line</i>	56,50	1,14,00	1,70,50	..	..	..
Total	56,50	1,14,00	1,70,50	97,50	..	97,50
Bezwada Railway . . . . .	..	70	70	..	..	..
Bengal and North-Western Railway (Tirhut Section)—						
<i>New construction—</i>						
Mashrak Thawe . . . . .	..	..	..	10,00	..	10,00
<i>Open Line</i>	8,25	6,25	14,50	..	..	..
Total	8,25	6,25	14,50	10,00	..	10,00

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Bombay, Baroda and Central India Railway—						
<i>New construction—</i>						
Jambusar Kavi . . .	..	..	..	10	..	10
Samni Dehej . . .	..	..	..	5	..	5
Vasad Katana . . .	..	..	..	7,70	..	7,70
Thasra Virpur . . .	..	..	..	10,15	..	10,15
<i>Open Line</i> . . .	32,00	1,28,00	1,60,00	..	..	..
Total . . .	32,00	1,28,00	1,60,00	18,00	..	18,00
Jodhpur Railway						
<i>Open Line</i> . . .	..	40	40	..	..	..
Madras and Southern Maharashtra Railway—						
<i>New construction—</i>						
Nidadavolu Naresapur . .	..	..	..	1,00	..	1,00
Coconada Kotipalli . . .	..	..	..	10,00	..	10,00
Guntur Macherla . . .	..	..	..	11,00	..	11,00
<i>Open Line</i> . . .	33,75	92,75	1,26,50	..	..	..
Total . . .	33,75	92,75	1,26,50	22,00	..	22,00
Rohilkund and Kumaon Railway—						
<i>Open Line</i> . . .	..	—40	—40	..	..	..
South Indian Railway—						
<i>New construction—</i>						
Shoranur Nilambur . . .	..	..	..	2,40	..	2,40
Virudhunagar Tenkasi . .	..	..	..	1,00	..	1,00
Madura Bodinayakanur . .	..	..	..	3,03	..	3,03
Villupuram Trichinopoly .	..	..	..	3,00	..	3,00
Dindigul Pollachi . . .	..	..	..	3,00	..	3,00
Cuddalore Vriddhachalam .	..	..	..	5,07	..	5,07
Mayavaram Tranquebar . .	..	..	..	6,00	..	6,00

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
South Indian Railway—concl'd.						
<i>New construction—concl'd.</i>						
Trichinopoly Manamadurai	..	..	..	30,00	..	30,00
Salem Mettur Dam	..	..	..	1,50	..	1,50
Polachi Palghat	..	..	..	19,00	..	19,00
Salem Attur Vriddhachalam	..	..	..	25,50	..	25,50
Karaikudi Davacottah	..	..	..	..	5,00	5,00
Polachi Vannanthorai	..	..	..	..	1,00	1,00
<i>Open Lines</i>	40,00	1,14,50	1,54,50	..	..	..
Total	40,00	1,14,50	1,54,50	99,50	6,00	1,05,50
Total State Railways managed by Companies or Indian States	1,98,50	4,70,70	6,69,20	2,95,50	6,00	3,01,50
Total all State Railways	6,01,00	12,06,00	18,07,00	8,43,00	35,00	8,78,00
<i>Deduct—Probable Savings</i>	..	..	20,00	..	..	45,00
			17,87,00			8,33,00
<i>Add—Purchase price of Southern Punjab Railway</i>	..	..	7,02,67	..	..	..
<i>Provision for staff quarters</i>	..	..	30,00	..	..	..
Total	..	..	25,19,67			8,33,00
				33,52,67		

Open Line Works.

5. *Engineering, structural and other works.*—The following is the distribution of the allotment of 12·36 crores, among the various classes of works comprised in this group :—

	Crores.
(a) Doubling and Quadrupling	·51
(b) Strengthening of rails and track	1·75
(c) Strengthening of bridges	1·55
(d) Remodelling of Station yards	1·60
(e) Provision of Staff Quarters { Ordinary	·65
Special	·30
(f) Workshops, stations and other buildings	1·42
(g) Plant and machinery	·45
(h) Electrification of lines and stations.	1·85
(i) Sidings, diversions, links, etc.	·81
(j) Collieries and Miscellaneous works	2·06
(k) Suspense	—·59

(a) *Doubling and Quadrupling*.—The most important of the schemes included in the Budget for increasing the capacity of the lines is still the scheme mentioned in the last year's memorandum of doubling and quadrupling of the Madras Suburban area for which a further provision of 20 lakhs has been made in the programme of the South Indian Railway in 1929-30. The doubling of the line between Kyungon and Myohla on the Burma Railways and the quadrupling and electrifying of the section between Raoli junction and Kurla on the Great Indian Peninsula Railway are the only important new schemes which are proposed in 1929-30.

(b) & (c). *Strengthening of rails and track and bridges*.—The general policy of strengthening and improving tracks and bridges to enable the increasing traffic to be carried with efficiency and economy by utilising modern type locomotives with their heavy train loads is being steadily pursued. The Bengal Nagpur, Bombay, Baroda and Central India, Burma, East Indian, Great Indian Peninsula, Madras and Southern Mahratta and North Western Railways have all provided for heavy expenditure on renewals of rails, sleepers and girders.

Among the more important of the bridges that it is proposed to strengthen or rebuild are included the Roopnarayan Bridge on the Bengal Nagpur Railway, the Nerbudda bridge on the Great Indian Peninsula Railway and the Sabarmati Bridge on the Bombay, Baroda and Central India Railway.

Of the more important relaying programmes during 1929-30 may be mentioned the Howrah-Kharagpur section on the Bengal Nagpur Railway which will be completed in 1929-30. The Barang-Waltair section is still in progress and will be completed in 1930-31. It is proposed to relay the Mu Valley section of the Burma Railways with 60 lb. rails. On the Great Indian Peninsula Railway, the remaining portions of the main line from Bombay to Agra, Bhusaval to Nagpur and Itarsi to Allahabad, are being taken up and practically the whole of the main line rails will, within five years, either be 100 lb. or 90 lb.

(d) *Remodelling of station yards*.—The connected and equally important question of remodelling yards, in order to provide improved marshalling facilities at stations where the present layouts are inadequate or unsuited to modern conditions continues to receive careful attention.

Some of the more important of the new schemes with the amounts proposed to be spent on them during 1929-30 are given below :—

Name of scheme.	(Figures in lakhs.)
Amount.	
Keighly Street (Burma)	7.92
Belur Store yard (E. I.)	6.00
Cawnpore (E. I.)	17.12
Miraj (M. & S. M.)	1.67
Victoria Terminus (G. I. P.)	4.34
Erode Junction (S. I.)	20.00
Trichinopoly Junction and Fort station (S. I.)	12.50
Akola (G. I. P.)	4.50

(e) *Provision of staff quarters.*—In pursuance of the general policy of providing, as far as possible, suitable dwellings in healthy surroundings for as large a proportion of the staff as practicable, a provision totalling about 65 lakhs of which less than 5 lakhs is for officers' quarters, has been made in the budgets of the various Railway Administrations. In addition, it is proposed to provide a lump sum of 30 lakhs for the building of staff quarters, to be distributed later by the Railway Board, as part of their efforts to ameliorate the service conditions of lower paid employees. The distribution of the provision among the various railways is shown below :—

Railways.	Officers' Quarters.		Other Quarters.		Total.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete quarters under construction.	Provision for new quarters.	
A. B. . .	..	..	..	1,00	1,00
B. N. . .	..	1,25	75	48	2,48
B. & N. W. . .	.	..	..	1,20	1,20
B., B. & C. I. . .	..	..	8,40	80	9,20
Burma . . .	2,21		4,77	3,90	10,88
E. B. . . .	..	..	..	1,00	1,00
E. I. . . .	19	40	14,63	10,58	25,80
G. I. P. . . .	..	..	5,93	3,00	8,93
M. & S. M . .	..	..	1,83	2,00	3,83
S. J. . . .	..	..	..	50	50
Lump sum provision (unallotted)	..	..	..	30,00	30,00
	2,40	1,65	36,31	54,46	94,82

(f) *Workshops, station and other buildings.*—The more important of the works included in the programme are shown below :—

(Figures in lakhs.)

	Estimate.	Approximate outlay to end of 31st March 1929.	Provision for 1929-30.
Dohad (B., B. & C. I. Railway) Locomotive shops— Repair unit	125.00	117.39	7.60
Manufacturing unit	31.55	8.55	19.00
Kanchrapara (E. B. Railway)—Locomotive shops	42.00	31.00	5.00
Jamalpur (E. I. Railway) Workshops	52.68	5.50	15.00
Perambur (M. & S. M. Railway) Workshops	212.49	78.55	40.00
Trichinopoly (S. I. Railway) New Locomotive shops.	327.15	299.41	20.00
Bombay Central Station (B., B. & C. I. Railway).	152.90	123.81	22.00

The only new important work which is likely to be taken in hand in the coming year is the remodelling of the Jamalpur workshops. Of the important workshops, remodellings of which have been started in recent years, the biggest—the Golden Rock workshops in Trichinopoly for the South Indian Railway expected to cost about 3½ crores is practically finished. The Bombay, Baroda and Central India Railway workshops at Dohad have made good progress; the repair unit is almost complete and the manufacturing unit will be completed in 1930-31. The Madras and Southern Mahratta Railway workshops at Perambur are nearly half way through.

Of the station buildings, the most important is the New Bombay Central Station, which it is hoped will be completed about the end of the financial year.

(h) *Electrification of lines and stations.*—The electrification of suburban lines in the Bombay area is practically complete. On the B., B. & C. I. Railway the electrically operated suburban service is opened up to Borivli. The proposed extension of the service from Borivli to Virar mentioned in last year's notes has been deferred for the present. On the G. I. P. Railway, the suburban scheme which comprises the electrification of the Harbour branch, of all tracks from Bombay to Kurla and the local lines from Kurla to Kalyan is practically complete, and all goods traffic between Bombay and Kalyan is now electrically operated. It is expected that the main line to Poona will be ready for electric traction during 1929 and up to Igatpuri by 1930. The work in the Kalyan Power House is well in hand and it is expected to be complete during 1929-30. The total amount provided for electrification is about 1½ crores and details are shown on pages 17 to 26 of the Budget Book. On the South Indian Railway, a provision of 11½ lakhs has been made for the electrification of the Madras suburban area. The scheme for the electrification of the Calcutta suburban railways mentioned in last year's notes is still under consideration.

(j) *Miscellaneous works*.—The provision made in the budget of 1929-30 for some of the more important of these is shown below :—

	Lakhs.
Gomoh Training School (E. I. Railway)	3.00
Traffic and Engineering School (Burma Railways)	3.50
Repairs to wagons at certain stations outside Mechanical workshops (E. I. Railway)	5.00
Removal of infringements of Standard Dimensions (G. I. P. Railway)	6.00
Training School at Kot Lakhpat (N. W. Railway)	4.57
Combined Divisional and Clearing Accounts offices (N. W. Railway)	6.00
Railway facilities in connection with Vizagapatam Harbour (B. N. Railway)	7.25

6. *Amenities for passengers*.—Over 1½ crores has been provided in the budget of 1929-30 for expenditure on the various facilities proposed.

	Lakhs.
1. Water supply	4.00
2. Waiting rooms and Halls	11.00
3. Indian refreshment rooms	2.50
4. Booking facilities	3.50
5. Latrines and sanitary arrangements	1.50
6. Raised platforms	4.00
7. Additions and betterments to lower class carriages	1,32.50
	<hr/> 1,59.00

7. *Rolling Stock*.—The programmes of Railway Administrations contemplate the following expenditure on account of rolling stock during 1929-30.

	Lakhs.
(a) <i>Capital Expenditure</i> —	
(i) for additional stock	211.61
(ii) for improvement to existing stock	255.91
Total Capital	<hr/> 467.52
(b) Expenditure chargeable to the Depreciation Fund for renewals of worn out stock, etc.	343.83
Total Expenditure	<hr/> 811.35

In addition to the above expenditure provision has been made in the programme for the following expenditure to complete works sanctioned in previous years' programmes :—

	Lakhs.
Capital	133.48
Depreciation Fund	117.02

This brings the total provision for rolling stock in 1929-30 to—

	Lakhs.
Capital	601.00
Depreciation Fund	460.85
Grand total	<hr/> 1061.85

Specific allotments set apart for

	Broad Gauge.				Metre
	Additions	Renewals.		Total.	Additions
	Capital.	Capital.	Deprecia- tion Fund.	Capital	Capital.
I.— <i>Locomotives</i> —					
(a) Engines and Tenders .	1,01	21,36	94,53	22,37	33,75
(b) Boilers	1,50	6,76	26,21	8,26	—
(c) Electric Headlights for Locos. . . . .	..	4,69	3	4,69	..
(d) Superheating of Locos.	..	15,01	23,11	15 01	—
(e) Miscellaneous Expen- diture . . . . .	..	..	1,08	..	—
II.— <i>Coaching Stock</i> —					
(a) I and II Class . .	19,24	9,57	6,46	28,81	2,38
(b) Inter and III Class .	28,16	4,82	4,07	32,98	19,28
(c) Other composite coaches	40,11	33,54	23,98	73,65	18,70
(d) Conversion from gas to electricity . . .	..	7,00	5,18	7,00	..
(e) Miscellaneous Expen- diture . . . . .	..	9,61	3,13	9,61	..
III.— <i>Goods Stock</i> —					
(a) General Service .	..	17,66	34,74	17,66	26,71
(b) Other types . . .	4,66	27,07	18,32	31,73	6,91
(c) Miscellaneous Expen- diture . . . . .	..	7,62	2,50	7,62	..
Total .	94,68	1,64,71	2,43,34	2,59,39	1,07,73

BUDGET FOR 1929-30.

81

various items as shown below :—

(Figures in thousands of rupees.)

Gauge.			Narrow Gauge.					Grand Total.	
Renewals.		Total.	Additions.	Renewals.		Total.			
Capital.	Depre- ciation Fund.	Capital.	Capital.	Capital.	Depre- ciation Fund.	Capital.	Capital.	Depre- ciation Fund.	
49,48	31,35	83,23	..	80	1,45	80	1,06,40	1,27,35	
51	4,60	51	..	59	2,31	59	9,36	33,12	
2,14	7	2,14		31	..	31	7,14	10	
1,01	87	1,01	.		..	..	16,02	23,98
45	41	15		..	..	..	45	1,49
2,45	3,86	1,93	62	..	.	62	34,26	10,32	
2,35	4,78	21,63	3,35	28	22	3 63	58,24	9,07	
11,17	15,48	29,87	2,32	..	..	2,32	1,05,94	39,46
..	..	..	..	..	..	..	7,00	5,18
20	..	20	..	..	..	..	9,81	3,13
11,46	27,66	38,17	2,33	6	3	2,39	53,22	62,43	
2,24	6,66	9,15	58	6	5	64	41,52	25,03	
5,64	69	5,64	..	..	..	..	13,26	3,19
89,10	96,43	1,96,83	9,20	2,10	4,06	11,30	4,67,52	3,13,88	

The programme authorised by the Railway Board at the time of the preparation of the budget for 1929-30 provides for the construction of new units of stock shown in the table below, all of which, however, will not necessarily be completed and available for use before the 31st March 1930.

	Broad Gauge.			Metre Gauge.		
	Additions No.	Renewals No.	Total No.	Additions No.	Renewals No.	Total No.
1. Locomotive engines ..		146	146	29	125	154
2. Coaching vehicles (in terms of four-wheelers)—						
(a) I and II class	62	58	120	20	48	68
(b) Inter and III class	132	62	194	190	76	266
3. Goods wagons (in terms of four-wheelers) . .	..	1,353	1,353	758	1,390	2,148

NOTE.—The figures in this paragraph are exclusive of III class composite coaches to be built with luggage, brakes, postal compartments, etc. The figures for goods stock represent the number intended for the carriage of goods for the general public and exclude all special types of goods stock, such as oil tanks, rail and timber trucks, sheep vans, ballast wagons, etc.

The following statement shows for the broad and metre gauge lines, the details of the new units of coaching and goods stock in terms of four-wheeler units included in the programme for 1929-30 which will be constructed as *additions* to the authorised stock of the railways :—

Railways.	I and II Class coaching vehicles.		Inter and III Class coaching vehicles.		Goods wagons. General Service.
	Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.	Metre Gauge.
North Western	20	..	..	..	..
Bengal and North-Western	..	..	..	60	..
Eastern Bengal	2	4	36	64	300
Great Indian Peninsula .	34	..	76	..	..
Burma . . . . .	..	10	..	26	238
Bombay, Baroda and Central India	6	..	..	..	..
South Indian . . . . .	..	6	..	..	..
Madras and Southern Maharatta . . . . .	..	..	20	..	..
Assam Bengal . . . . .	..	..	..	40	220
Total	62	20	132	190	758

NOTE.—The above figures exclude composite coaches having compartments for classes other than those specified.

New construction.

8. A complete list of new lines, whether under construction or likely to be commenced during the year 1929-30, for which the allotment of 8.78 crores proposed for new construction is intended, is given in the demands for grants for new construction and strategic lines. The total mileage of these new lines excluding that of the lines to be opened this year aggregates 2,721 miles. The additions to the several main systems are indicated in the tabulated statement below :—

Railway System.	Lines in Progress.	Lines the construction of which has been sanctioned but not yet commenced.	Unsanctioned lines.	Total.
Assam Bengal	97	25	..	122
Bengal Nagpur	280	..	..	280
Bengal and North Western . . .	40	.	..	40
Bombay, Baroda and Central India	69	34	..	103
Burma	440	..	..	440
Eastern Bengal	161	64	53	278
East Indian	371	..	..	371
Great Indian Peninsula	105	91	..	196
Madras and Southern Mahratta .	108	..	..	108
North Western	438	..	..	438
South Indian	234	..	22	256
Strategic	89	..	..	89
Total	2,432	214	75	2,721

9. It is expected that about 1,100 miles of railway will be opened in the current financial year and 500 miles in 1929-30. The details are as follows :—

Lines opened and to be opened in 1928-29.

<i>Name of project.</i>	<i>No. of miles.</i>
<i>Assam Bengal Railway—</i>	
Furkating-Badulipara-Jorhat	42
Shaistaganj-Habiganj Branch	8
Karimgunj-Longai Valley	39
Netrakona-Mohanganj	17
<i>Bombay, Baroda and Central India Railway—</i>	
Jambusar Kavi	15
Samni Dehej	25
Boriavi Vadial	4
<i>Burma Railways—</i>	
Heho-Shwenyaung	11
Kayan-Thongwa	11
<i>Eastern Bengal Railway—</i>	
Pirgunj-Ruha section of the Dinajpur-Ruha Railway	24
Baruipur-Lakshmikantapur	23
Purnea Murligunj	52
Abdulpur Rampur-Boalia	27
<i>East Indian Railway—</i>	
Chandrapura-Gomah Chord	10
Annupur Bijuri section of the J. I. C. Railway	30
Daltongunj-Berkakhana	114
Bijuri-Karimati	10
<i>Great Indian Peninsula Railway—</i>	
Agra-Kusba-Fatehabad section of the Agra-Bah Railway	22
Kusba-Fatehabad Bah	21
<i>Nizam's Guaranteed State Railway—</i>	
Dronachellam-Kurnool Railway Extension	4
<i>Madras and Southern Mahratta Railway—</i>	
Gudivada-Bhimavaram	41
Nidadavolu-Narasapur	47
<i>North Western Railway—</i>	
Rohtak-Gohana-Panipat	44
Batala Qadian section of the Batala Beas	12
Ohhinnikhichi-Hundewali section of Chiniot Kushab Railway	22
Sargodha Shahpur City of the Chiniot Kushab Railway	22
Kengra Valley	16

BUDGET FOR 1929-30.

85

Lines opened and to be opened in 1928-29—*concd.*

<i>Name of project.</i>	<i>No. of miles.</i>
<i>South Indian Railway—</i>	
Villupuram-Vriddhachalam section of the Villupuram-Trichinopoly	34
Cuddalore-Vriddhachalam	36
Dindigul-Pollachi	75
Madura-Bodinayakanur	56
Salem Metur Dam	25
Vriddhachalam Lalgudi section of the Villupuram-Trichinopoly	59
Total	1,092

Lines expected to be opened during 1929-30.

Assam Bengal Railway—

Shaistaganj-Balla	17
Feni-Belonia	17
Chittagong-Fatikchhari (Nazirhat)	23

Bengal Nagpur Railway—

Raipur Parvatipur section (District No. 4)	83
--	----

Bombay, Baroda and Central India Railway—

Vasad-Katana	26
------------------------	----

Burma Railways—

Natmauk-Pinehaung	28
Pinehaung-Kyaukpadaung	19
Myingyan-Myotha	42
Myotha-Paleik	27
Nyaunglebin-Madauk	11

East Indian Railway—

Unao-Madhoganj	48
Chandpur-Muazzampur Narain	37

Madras and Southern Mahratta Railway—

Cocanada-Kotipalli	27
Guntur-Macherla	80

North Western Railway—

Dera Baba Nanak-Jassar of the Amritsar-Narowal Railway	6
--	---

North Western Railway (Strategic)—

Qilla Saifullah-Fort Sandeman extension of Zhob Valley Railway	89
Total	580

10. Since the last budget was presented to the Assembly proposals for the construction of the railways detailed in the following statement were placed before, and accepted by, the Standing Finance Committee for Railways. Full details of these projects are contained in the proceedings of the Standing Finance Committee quoted against each.

Name of project.	Capital cost (including interest during construction).	Return expected.	Reference to proceed- ings of the S. F. C. for Railways.
	(Lakhs of Rupees.)	(Per cent.)	
(i) Chittagong Fatikchhari Nazirhat Railway.	22.00	8.5	Item I of Vol. V, No. I.
(ii) Shaistaganj Balla Rail- way.	11.14	5.2	Item No. 3, <i>ibid.</i>
(iii) Hiwarkhed Akot Akola Basim Railway.	75.00	6.3	Item No. 5, <i>ibid.</i>
(iv) Belapur Shevgaon Rail- way.	32.25	5.3	Item No. 6, <i>ibid.</i>
(v) Contai Road Contai Rail- way.	39.00	7.6	Item No. 8, <i>ibid.</i>
(vi) Amraoti Narkhed Rail- way.	65.43	6.5	Item No. 9, <i>ibid.</i>
(vii) Mashrak Thawe Rail- way.	21.00	6	Item No. 10, <i>ibid.</i>
(viii) Pollachi Palghat Rail- way	40.00	5.2 *	Item No. 11, <i>ibid.</i>
(ix) Sind Left Bank Feeder Railways.	97.45	*	Item No. 13, <i>ibid.</i>
(x) Thasra Virpur Railway.	15.94	13.6	Item No. 5 in Vol. V, No. 2
(xi) Keshpur Kalagarh Rail- way	18.82	5.2	Item No. 6 in S. F. C., Vol. V, No. 4.
(xii) Chittagong Duhazari Railway.	49.00	5.6	Item No. 7 in S. F. C., Vol. V, No. 4.
(xiii) Dacca-Aracha (Rajbari Narayanganj) Railway.	203.08	5.14	Item No. 1 in S. F. C., Vol. V, No. 5.

* Unremunerative, undertaken on a guarantee from the Government of Bombay.

St e only three new lines included in the budget which have not been mentioned. These are described below :—

—
EASTERN BENGAL RAILWAY.

RA: *Belsiri Railway.*—The proposal is for an extension of the Rangya line to meet the Tezpur Balipara Railway at Rangapara. From investigations made it is not expected that the line will be a remunerative proposition, but it is likely that the Assam Government will guarantee construction in the interests of the development of the country. The provision made in the budget will allow the final location survey and the land acquisition being taken in hand if it is decided to proceed with its construction.

SOUTH INDIAN RAILWAY.

Karaikudi Devakotah Railway.—This short branch linking up Devakotah with Karaikudi on the Trichinopoly Karaikudi Manamadurai line will serve as a remunerative feeder to the latter line.

Pollachi Vannanthorai Railway.—This short branch line will take off from Pollachi on the Dindigul Palghat line and run to the foot of the ghats to the terminus of a ropeway that is being constructed by the local planting community. The provision made will enable preliminary arrangements being taken in hand if the project is found to be financially justifiable

APPENDIX II.

Capital expenditure on State Railways during 1927-28, at end
and estimated in 1928-29 and 1929-30.

(Figures in thousands)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	
OPEN LINES.					
State Railways managed by State—					
Aden (Commercial) . .	—85	14,13	—50	..	13,63
Burma	1,00,84	29,26,26	60,00	1,40,50	31,26,76
Eastern Bengal . .	1,07,24	45,47,80	1,05,00	1,51,50	48,04,30
East Indian . .	3,78,89	1,30,48,17	2,25,00	2,32,00	1,35,05,17
Great Indian Peninsula .	4,08,96	1,07,93,88	4,58,00	3,69,00	1,16,20,88
North Western . .	4,07,54	95,16,85	1,65,00	2,09,00	98,90,85
Strategic Lines . .	61,11	29,18,65	28,00	32,00	29,78,65
Stores transactions . .	1,24	2,36,76	..	..	2,36,76
Abandoned projects . .	..	32,26	..	..	32,26
Total State Railways managed by State . .	14,62,97	4,40,34,76	10,40,50	11,34,00	4,62,09,26
State Railways managed by Companies or Indian States—					
Assam Bengal	52,71	19,64,06	46,00	42,50	20,52,56
Bengal Nagpur	86,87	68,82,74	1,20,00	1,70,50	71,73,24
Bengal and North-Western (Tirhut)	22,85	9,12,71	18,00	14,50	9,45,21
Bezwada Extension . .	2	17,32	25	70	18,27
Bombay, Baroda and Central India	2,63,02	68,98,06	1,60,00	1,60,00	72,18,06
Jodhpur Hyderabad . .	6,07	69,74	2,00	40	72,14
Madras and Southern Mahratta	1,77,61	51,86,83	1,28,00	1,26,50	54,41,33
Rohilkund and Kumaon (Lucknow Bareilly) .	—54	1,55,13	—75	—40	1,53,98
South Indian	1,43,47	28,33,47	1,14,00	1,54,50	31,01,97
Total State Railways managed by Companies or Indian States . .	7,52,08	2,49,20,06	5,87,50	6,69,20	2,61,76,76

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end of 1929-30.
Brought forward . .	7,52,08	2,49,20,06	5,87,50	6,69,20	2,61,76,76
OPEN LINES— <i>concl.</i>					
State Railway Collieries .	4,23	90,01	5,50	3,80	99,31
Total Open Lines .	22,19,28	6,90,44,83	16,33,50	18,07,00	7,24,85,33
LINES UNDER CONSTRUCTION.					
State Railways managed by State—					
Burma Railways—					
Bauktaw Mingaladon .	66	7,32	5	..	7,37
Pyinmana Taungdwingyi	..	..	50	..	50
Segyi Ye U . . .	..	..	10	..	10
Pegu Kayan . .	6,98	53,91	1,00	..	54,91
Heho Shevemyaung .	9,36	23,12	3,25	45	26,82
Mandalay Madaya .	..	..	35	..	35
Taungdwingyi Kyaukpadaung . . .	20,59	63,37	14,25	17,00	94,62
Sagaing Bridge . .	10,21	10,21	20,00	50,00	80,21
Myingvan Natogyi Paleik	25,28	28,64	16,00	24,00	68,64
Kayan Thongwa . .	5,83	10,28	2,50	1,60	14,38
Nyaunglebin Madauk .	3,85	4,23	6,50	3,15	14,18
Taungdwingyi-Minbu Pakokku—					
(a) Taungdwingyi Patanago . . .	7,20	7,20	22,50	50,00	79,79
(b) Patanago Malun Pakokku . . .					
Total .	90,05	2,08,87	87,00	1,46,50	4,42,87

APPENDIX II—*contd.*

(Figures in thousands of rupee)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end 1929.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by State— <i>contd.</i>					
Eastern Bengal Railway—					
Baruipur Lakshmikan- tapur	14,18	14,18	8,00	5,00	27,18
Dinajpur Ruhea	20,08	20,08	8,00	..	28,08
Tangla Belsiri . . . .	..	..	..	2,00	2,00
Dacca Aricha . . . .	..	..	..	27,00	27,00
Kalukhali-Kamarkhali Bha- teapara	91	91	2,50	30,00	33,41
Nawabganj Abdulpur . .	..	..	29,00	22,00	51,00
Nator Rampur Boalia Neachoul	26,71	26,77	..	..	26,77
Purnea Murliganj includ- ing Behariganj Branch .	5,86	5,86	12,50	13,50	31,86
Total	67,74	67,80	60,00	99,50	2,27,30
East Indian Railway—					
Central Indian Coal- fields	1,00,34	3,06,99	60,00	22,76	3,89,75
Chandrapura Barkakhana.	..	..	12,00	..	12,00
Calcutta Chord	60,53	89,98	55,00	77,19	2,22,17
Rikhi-kesh Road Ri- khikesh	3,43	18,06	..	..	18,06
Lucknow Sultanpur Zafar- abad . . . . .	..	..	10,00	50,00	60,00
Unao-Madhoganj . . . .	..	..	9,00	24,55	33,55
Chandpur-Bijnor Muazzam- pur Narian Branch . .	60	60	14,00	12,00	26,60
Total	1,64,90	4,15,63	1,60,00	1,86,50	7,62,13

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end of 1929-30.
LINES UNDER CONSTRUCTION—<i>contd.</i>					
State Railways managed by State— <i>concl'd.</i>					
Great Indian Peninsula Rail- way—					
Agra Bah	13,48	18,49	9,50	30	28,29
Kurla Trombay . . .	1,47	7,90	..	..	7,90
Darwha-Pushad . . .	1,15	1,15	2,50	12,00	15,65
Kartal Kamasin . . .	43	43	1,25	..	1,68
Nasik Belapur Sheo- gaon . . . . .	..	..	50	..	50
Khamgaon-Chikli . .	17	17	1,00	15,00	16,17
Hiwar—khed-Akot-Akola Bassim (late Khandwa Hingoli) . . . . .	..	..	1,25	29,70	30,95
Amraoti Narkhed . .	..	..	1,00	..	1,00
Total	16,70	28,14	17,00	57,00	1,02,14
North Western Railway—					
Amritsar N.W.R. . .	25,21	59,62	6,00	..	65,62
Kangra Valley . . .	1,13,45	1,75,55	90,00	6,50	2,72,05
Shahdara Narowal . .	1,94	27,72	50	..	28,22
Jassar-Shakargarh Chak Amru	12,37	16,59	—50	..	16,09
Rohtak Gohana Pan- ipat	20,47	25,85	—50	..	25,35
Lyallpur Jaranwala . .	8,76	14,18	1,00	..	15,18
Chak Jhumra Chiniot .	18,16	18,59	1,00	..	19,59
Khushab Chiniot . . .	49,57	49,57	26,00	19,00	94,57
Lyallpur Chananwala .	..	..	12,00	4,50	16,50
Sind Left Bank Fee- ders . . . . .	..	..	2,50	25,00	27,50
Batala Beas	3,23	3,23	10,00	1,00	14,23
Kalabagh Bridge . . .	3,62	3,62	16,00	15,00	34,62
Strategic Lines . . .	35,15	3,23,13	49,00	16,00	3,88,13
Total	2,91,93	7,17,65	2,13,00	87,00	10,17,65
Total State Railways manag- ed by State	6,31,32	14,38,09	5,37,00	5,78,50	25,51,59

APPENDIX II—*contd.*

(Figures in thousands of rupee)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end of, 1929-30.
LINES UNDER CONSTRUCTION—<i>contd.</i>					
State Railways managed by Companies or Indian States—					
Assam Bengal Railway—					
Sibsagar Road Kha- wang	2,97	31,77	50	50	32,77
Furkating Badulipara Jorhat	7,83	28,20	3,00	15	31,35
Karimganj Longai Valley	11,67	25,67	4,50	50	30,67
Netrakona Mohan- ganj	8,21	8,24	11,00	2,00	21,24
Habiganj Shaastaganj Balla	4,76	4,76	10,50	2,85	18,11
Senchoa Mairabari . .	3,32	3,32	6,00	9,50	18,82
Feni Belonia	2,93	2,93	6,00	4,00	12,83
Chittagong Nazirhat . .	3,00	3,00	7,50	9,00	19,50
Chittagong Dhuazari . .	.	..	2,00	20,00	22,00
Total	44,62	1,07,79	51,00	48,50	2,07,29
Bengal Nagpur Railway—					
Raipur Parvatipur . .	72,19	1,21,56	81,00	90,00	2,92,56
Tumsar Road Tirodi . .	11,77	11,77	11,00	7,50	30,27
Guttatagar Branch . .	—23	2,25	..	..	2,25
Kedla Colliery Branch . .	14	34	34
Total	83,87	1,35,92	92,00	97,50	3,25,42

BUDGET FOR 1929-30.

93

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APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end of 1929-30
LINES UNDER CONSTRUCTION—<i>contd.</i>					
State Railways managed by Companies or Indian States— <i>contd.</i>					
Bengal and North-Western Railway—					
Mashrak Tawe . . .	..	..	1,00	10,00	11,00
Total . . .	..	..	1,00	10,00	11,00
Bombay, Baroda and Central India Railway—					
Jambusar Kavi . . .	86	3,54	3,50	10	7,14
Vasad Katana . . .	12	12	8,00	7,70	15,82
Samni Dehej . . .	1,99	4,22	5,00	5	9,27
Boriavi Vadtal . . .	74	74	1,50	..	2,24
Thasra-Virpur . . .	..	..	..	10,15	10,15
Total . . .	3,71	8,62	18,00	18,00	44,62
Madras and Southern Mah- ratta Railway—					
Nidadavolu Narasapur .	18,82	46,98	20,00	1,00	67,98
Cocanada Kotepalli . .	17,12	17,19	12,00	10,00	39,19
Gudivada Bhimavaram .	13,81	31,15	8,00	..	39,15
Hotgi Sholapur . . .	1,94	7,60	..	..	7,60
Kannivihalli Swamihalli	3,54	5,40	1,00	..	6,40
Guntur-Gurzala-Macherla	16,60	16,97	19,00	11,00	46,97
Total . . .	71,83	1,25,29	60,00	22,00	2,07,29

APPENDIX II—*contd.*

(Figures in thousands of rup

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end of 1929-30.
LINES UNDER CONSTRUCTION — <i>contd.</i>					
State Railways managed by Companies or Indian States — <i>contd.</i>					
South Indian Railway—					
Villupuram Trichinopoly	48,50	1,68,12	33,00	3,00	2,04,12
Virudunagar Tenkasi .	15,77	68,31	50	1,00	69,81
Shoranur Nilambur .	15,90	75,93	4,00	2,40	82,33
Dindigul Pollachi . .	40,24	67,52	16,00	3,00	86,52
Trichinopoly Manama- dura. . . .	18,57	19,10	51,00	30,00	1,00,10
Mayavaram Tranquebar	32	7,86	7,00	6,00	20,86
Madura Bodinayakanur	26,36	38,09	12,50	3,03	53,62
Vriddhachalam Cudda- lore	15,06	21,95	4,50	5,07	31,52
Salem Attur Vriddha- challam . . .	14	14	25,00	25,50	50,64
Pollachi Palghat . .	..	..	3,50	19,00	22,50
Salem Mettur Dam .	83	83	12,00	1,50	14,33
Arantangi Manamadura .	..	..	1,00	..	1,00
Pollachi Vannanthorai .	..	..	..	1,00	1,00
Karaikudi Devacottah	5,00	5,00
Total .	1,81,69	4,67,85	1,70,00	1,05,50	7,43,35

BUDGET FOR 1929-30.

96

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APPENDIX II—*concl'd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1927-28.	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	To end of 1929-30.
INES UNDER CONSTRUCTION—<i>concl'd.</i>					
State Railways managed by Companies or Indian States— <i>concl'd.</i>					
Nizam's Guaranteed State Railways—					
Dhone (Dronachalam) Kurnool Extension .	9,18	10,39	6,00	..	16,19
Total State Rail- ways managed by Companies or Indian States	3,94,90	8,55,86	3,98,00	3,81,50	15,55,36
Total Lines under Construction . . .	10,26,22	22,93,95	9,35,00	8,78,00	41,06,95
Total Open Lines and Constructions .	32,45,50	7,13,38,78	25,68,50	26,85,00	7,65,92,28
Purchase of branch lines shares . . .	2,92	32,87	20,00	..	52,87
Purchase price of Burma Railways .	..	..	4,00,00		4,00,00
Purchase of Mirpur Khas Jhudo . . .	..	.	11,50	..	11,50
Purchase price of Southern Punjab Railway . . . .	..	..	..	7,02,67	7,02,67
Staff quarters . . .	..	..	..	30,00	30,00
Deduct—Probable savings . . . .	..	..	..	65,00	65,00
Total Capital Expenditure .	32,48,42	7,13,71,65	30,00,00	33,52,67	7,77,24,32

APPENDIX III.

Gross receipts, working expenses, and net receipts of State Railways for five ending 1927-28, with Revised Estimates for 1928-29 and Budget Estimate for 1929-30.

(Figures in thousands of rupees)

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.		
	M.	M.	M.	M.	M.	M.	M.
Open mileage at end of year	27,162	27,324	27,430	28,001	28,426	29,518	30,098
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
GROSS RECEIPTS.							
State Railways managed by the State.							
Burma	4,11,38	4,29,89	4,93,82	4,62,60	5,06,63	5,25,00	5,35,00
Eastern Bengal	5,34,77	5,99,00	6,33,87	6,77,12	7,08,20	7,34,00	7,40,00
East Indian	19,86,73	20,90,57	19,92,11	19,77,51	20,66,85	20,40,00	20,35,00
Great Indian Penin- sula	11,51,06	15,29,64	14,79,90	14,80,21	15,22,67	15,65,00	15,75,00
North-Western—Com- mercial Lines	13,46,96	15,39,35	13,78,33	14,18,69	14,09,94	14,75,00	15,25,00
Strategic Lines	1,71,15	1,59,87	1,64,07	1,53,45	1,60,40	1,60,00	1,65,00
State Railways managed by Compa- nies or Indian States.							
Assam Bengal	1,28,90	1,44,14	1,64,51	1,76,28	2,05,22	2,20,00	2,30,00
Bengal Nagpur	7,70,54	8,39,16	8,39,59	8,22,29	9,17,45	9,00,00	9,05,00
Bombay, Baroda and Central India	11,95,42	12,39,54	12,25,95	11,35,35	11,45,28	11,90,00	11,90,00
Madras and Southern Mahratta	7,39,55	7,92,89	8,10,23	8,12,55	8,65,90	9,40,00	9,49,00
South Indian	5,27,06	5,14,78	5,44,12	5,48,91	5,80,67	5,85,00	6,03,00
Other Railways	2,01,60	2,25,53	2,34,10	2,38,93	2,44,61	2,41,00	2,41,00
Total Central	94,65,52	1,01,04,56	99,70,00	99,03,98	1,04,23,72	1,05,75,00	1,07,00,00
India	94,58,48	1,00,97,94	99,63,60	99,00,19	1,04,17,24	1,05,68,57	1,06,93,57
England	4,83	4,83	4,82	2,83	6,43	6,43	6,43
EXCHANGE	2,21	1,79	1,58	96	5	..	..

BUDGET FOR 1929-30.

97

APPENDIX III—contd.

(Figures in thousands of rupees.)

RAILWAYS.	ACCOUNTS.					Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
WORKING EXPENSES.							
State Railways managed by the State.							
Burma	2,52,26	2,53,53	2,74,77	2,82,51	2,89,60	3,16,21	3,17,00
Eastern Bengal	3,95,73	4,26,71	4,64,18	4,45,39	4,59,64	4,71,03	4,82,76
East Indian	12,35,90	13,02,84	12,22,71	12,02,37	12,16,10	12,04,01	12,14,00
Great Indian Penin- sula	9,60,04	9,11,81	10,68,03	10,42,39	9,91,02	10,42,01	10,18,55
North-Western—Com- mercial Lines	9,11,32	9,52,44	8,96,09	9,64,47	10,01,21	10,09,06	10,29,80
Strategic Lines	1,89,68	1,95,76	1,80,14	1,86,71	1,94,06	1,99,30	2,03,00
State Railways managed by Companies or Indian States.							
Assam Bengal	91,01	90,96	88,03	95,92	1,07,87	1,26,95	1,27,25
Bengal Nagpur	5,11,27	5,15,72	5,27,36	4,74,21	5,63,74	6,33,32	6,44,75
Bombay, Baroda and Central India	7,14,56	6,70,85	7,51,90	7,14,10	7,10,78	7,35,70	7,20,30
Madras and Southern Maharatta	4,34,21	4,34,98	4,77,09	4,51,60	5,17,32	4,82,72	4,84,30
South Indian	3,04,75	2,89,57	3,16,51	2,93,80	3,53,48	3,39,02	3,35,20
Other Railways	1,04,55	1,10,11	1,07,61	1,24,12	1,08,44	1,05,67	1,15,10
For improvement of service conditions of lower paid em- ployees . . . . .	..	..	..	..	..	..	28,00
Difference between the actual expenditure from Depreciation Fund and the contribution to the Fund . . . . .	..	1,80,47	68,64	1,59,13	11,49	..	..
Deduct—Difference between book and market value of stores . . . . .	..	—38,29	..	..	..	..	..
Total Central	61,05,28	62,90,79	61,41,96	64,39,72	65,24,35	66,65,01	67,20,00
India	61,05,28	62,90,79	64,27,62	63,90,15	64,77,14	66,18,74	66,71,73
England . . . . .	..	..	10,79	37,01	46,77	46,26	48,27
EXCHANGE . . . . .	..	..	3,55	12,56	14	..	..

APPENDIX III—*concl'd.*

(Figures in thousands of ₹)

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1928-29.	Budg. Estim., 1929-30.
	1923-24	1924-25.	1925-26.	1926-27.	1927-28.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Net Receipts. State Railways managed by the State.							
Burma	1,59,12	1,76,36	2,19,05	1,80,18	2,17,03	2,08,79	2,18,00
Eastern Bengal	1,39,04	1,72,45	1,69,69	2,31,73	2,48,56	2,62,97	2,57,25
East Indian	7,50,83	7,87,73	7,69,40	7,75,14	8,51,75	8,35,99	8,21,00
Great Indian Penin- sula	4,91,02	6,17,87	4,11,87	4,37,82	5,31,65	5,22,99	5,56,45
North Western—Com- mercial lines	4,35,64	5,86,91	4,82,24	4,54,22	4,98,63	4,65,94	4,95,20
Strategic lines	—18,53	—35,89	—16,07	—33,26	—34,26	—39,30	—38,00
State Railways managed by Compa- nies or Indian States.							
Assam Bengal	37,89	53,18	75,58	80,36	97,35	93,05	1,02,75
Bengal Nagpur	2,59,67	3,23,44	3,14,63	3,48,08	3,53,71	2,66,68	2,60,25
Bombay, Baroda and Central India	4,80,86	5,68,69	4,74,05	4,21,25	4,34,50	4,54,30	4,69,70
Madras and Southern Maharatta	3,05,34	3,57,91	3,42,14	3,57,95	3,48,58	4,57,28	4,64,70
South Indian	2,22,31	2,32,21	2,27,61	2,55,11	2,27,19	2,45,93	2,67,80
Other Railways	97,05	1,15,09	1,26,49	1,14,81	1,36,17	1,35,33	1,32,90
For improvement of service conditions of lower paid employees	..	..	..	..	..	..	—28,00
<i>Deduct</i> —Difference between the actual expenditure from Depreciation Fund and the contribu- tion to the Fund . . . . .	..	—1,80,47	—68,64	—1,59,13	—11,49	..	..
<i>Add</i> —Difference be- tween the book value and the mar- ket value of stores . . . . .	..	38,29	..	..	..	..	..
Total Central	33,60,24	38,13,77	35,28,04	34,64,26	38,99,37	39,10,00	39,80,00
India	33,53,20	38,07,15	35,35,98	35,10,04	39,39,80	39,49,83	40,21,84
England	4,83	4,83	—5,97	—34,18	—40,34	—39,83	—41,84
Exchange	2,21	1,79	—2,97	—11,00	—9

PART II.
GENERAL BUDGET.

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Speech of the Finance Member

Introducing the

Budget for 1929-30.

INTRODUCTORY.

Sir, as this is the first occasion on which I have the honour of making a budget speech, I must regard it as my maiden effort, although I have already had occasion to address this House.

2. I may perhaps therefore be allowed to commence on a personal note. I address you with a due sense of humility, seeing that I come as a complete stranger to discharge this onerous and responsible duty. But this has at least a compensating advantage, for, in some ways, a stranger is in a privileged position. I already have had reason to appreciate from my own experience in other countries the hospitality of the East, and therefore, as a stranger, I know that I can count on a courteous welcome and a friendly hearing. It will be my constant endeavour to deserve a no less friendly reception when I cease to be able to claim the consideration due to a novice and have to be judged by you according to your knowledge of my actions. The success of a Finance Member in such a country as this lies not so much with himself as with the favour of Providence that determines the seasons. If my period of office is blessed with a series of good monsoons, my task may be comparatively easy. If not, I know that I may have to encounter difficulties. But difficulties are also opportunities, for, it is by these that a system is tested, and success in overcoming them may lead to its permanent strengthening. From my first view of the position, I do not think that the time before us now is one for the achievement of spectacular results nor should I wish to claim the credit for them if they were achieved. If I have an ambition, it is this, that whether we encounter bad seasons or good, you should be able to say of me when my work is done, that I served your country at least to the utmost of my powers and that in all that I did, my main thought was for the interests of the people of India. I must now turn to the dry details of my task.

3. The revised estimates for 1927-28 provided for a total revenue of 1,27.74 crores and a total expenditure of the same amount, the revenue including an appropriation of 1,69 lakhs from the Revenue Reserve Fund, which stood at 2,96 lakhs at the beginning of the year. The final figures show a total expenditure of 1,27.26 crores and in order to bring the revenue up to this figure it was necessary to increase the appropriation from the Revenue Reserve Fund from 1,69 lakhs as originally estimated to 2,22 lakhs. The deterioration in the revenue position as compared with that forecasted a year ago has thus amounted to 53 lakhs, which is mainly accounted for by a throw-forward of 40 lakhs representing land customs collections at Viramgam from 1927-28 to the current year. This has reduced the balance now at credit of the Revenue Reserve Fund to 74 lakhs.

Review of the year 1928-29.

4. I think I can most fairly describe general conditions in the financial year which is now drawing to a close by saying that they have been bad in patches, but that it would be a mistake to assess the general position from a contemplation of these bad patches, and to say that viewed as a whole, it gives ground for serious pessimism. During the months of June to September the monsoon was on the whole fairly active except in parts of Northern India, where a marked drought was experienced and just in these areas the recent exceptional cold wave and frost have produced serious losses of crops in certain localities. It is difficult as yet to estimate how far these will have any general effect on the balance of trade and the ways and means position. But these factors certainly give ground for caution in making revenue forecasts. The year was also disturbed by prolonged strikes in various parts of the country, and particularly in the cotton mill industry of Bombay. In spite of all this, the trade statistics so far available are, on the whole, encouraging. The visible balance of trade, including private imports of treasure, for the nine months ended the 31st December, 1928, was in favour of India by 39.77 crores against 33.07 crores in 1927 and 22.55 crores in 1926. Exports of Indian merchandise show an improvement of over 10 crores as compared with 1927. It is particularly satisfactory to observe that the exports of cotton have risen from 28 to 43½ crores, while those of jute and jute manufactures and of seeds also record an improvement of 5 crores and 3½ crores respectively. Exports of rice, however, have gone down by as much as 7 crores, as a result mainly of Japan's temporary prohibition of imports of the commodity into that country and of the increasing competition of the rice-producing countries on the Mediterranean sea board. Wheat has been seriously affected by unfavourable climatic conditions, so much so that considerable quantities have had to be imported, while exports have fallen by about 2½ crores.

5. The imports as a whole show a fall of about a crore—the result of a drop in cotton and cotton yarn and manufactures counter-balanced to a large extent by a rise in the imports of grain, machinery and vehicles. The two items last mentioned are particularly interesting. Imports of machinery show a rise of about 16 per cent. for which the recent abolition of duty is, no doubt, largely responsible. The number of motor-cars and commercial motor vehicles which came into the country during the nine months, also shows an improvement of as much as 38 per cent., although the amount of duty collected is still slightly less than the figure for 1926. I have every hope that the leeway will be made up and that our customs revenue will soon begin to benefit more largely from this source. Prices in general continued to remain fairly stable.

6. Money conditions have at times been difficult and in the last weeks have been affected by world conditions which themselves have been largely governed by the situation in the United States. The enormous volume of speculation there has tended to force up rates for money in all countries engaged in international trade and this is the root cause to which the recent rise in the bank rate of the Imperial Bank to 8 per cent. must be attributed. I do not wish to enter into any detailed disquisitions on this subject now, but I would call attention to one point only which seems to have missed the attention of those who have criticised this action. It has been said that it was normally understood that the rate would not rise to 8 per cent.

expansion of currency against commercial bills had reached its full of 12 crores, and that, in the recent case the rate was raised after only 9 crores of expansion had taken place. It must, however, be remembered that this year Government had expanded currency to the extent of 1 crore against sterling and 1 crore against created securities and that there had been a further expansion of 2.4 crores against imported gold so that the total expansion had really been well over 13 crores.

REVENUE, 1928-29.

7. The net customs receipts for the year were taken at 50.18 crores and

I now put the revised estimate at 20 lakhs less.

Customs. Larger imports of sugar and of mineral oils have increased the receipts by 70 lakhs and 28 lakhs respectively, while the land customs collections show an improvement of 70 lakhs, including the 40 lakhs thrown forward from last year. Excise duty on motor spirit is also expected to yield an additional 20 lakhs. On the other hand, cotton piecegoods and protective special duties relating to iron and steel show a deterioration of 40 lakhs and 42 lakhs respectively while matches, the export duty on rice, and the excise duty on kerosene, have all been on the downward grade.

8. I have taken the revised estimate under Taxes on Income at 16½

Taxes on Income. crores against the budget figure of 17 crores. The reduction is mainly accounted for by certain large refunds which have had to be made as a result of legal decisions.

9. Owing to an unexpected and considerable amount of speculation at

Salt. Sambhar, the estimate of salt revenue, which was originally taken at 7 crores, will probably be exceeded by about 65 lakhs in the current year. But as I do not think it safe to calculate on an average revenue of more than 7 crores, I am forced to treat the extra 65 lakhs, which we expect to collect in the current year, as being gained at the expense of next year, the estimate for which must be reduced accordingly. This unexpected factor seriously disturbs the distribution of revenue as between the current year and next year, and I shall have to refer to this point again.

10. The only item which needs comment is that of interest receipts

Other heads. which shows an improvement of as much as 66 lakhs, but this should really be set against a counterbalancing increase in interest payments to which I shall presently refer.

EXPENDITURE, 1928-29.

11. The gross payments on account of interest on ordinary debt have

Debt Services. exceeded the budget figure by 1.33 lakhs as a result mainly of the larger magnitude of our borrowing operations and a small increase in our borrowing rate. But the net payments, after deducting recoveries from the Commercial Departments and the Provincial Loans Fund, show a deterioration of 65 lakhs only, which, as I have already stated, is covered by the increase in interest receipts. I would take this opportunity of explaining to the House that the net payments would have been considerably larger but for a change which I have introduced in the method of calculating the interest chargeable to Commercial Departments in respect of capital outlay incurred after the 31st March 1917, whereby they are required to share the loss which the general revenues suffer through the tax-free concession attached to

of our rupee debt. This alteration has increased the recoveries from Railways to the extent of 59 lakhs under this head, although it has had a simultaneous effect of reducing the railway contribution otherwise receivable by about 20 lakhs. The former method of calculation was really erroneous, as it meant that Government did not actually recover from the Commercial Departments the interest which they were in effect themselves paying. It is reassuring to know that in spite of the additional payment which the correction of this error involves, the actual rate of interest to be paid by the Commercial Departments for the forthcoming year will be less than it was two years ago. For 1926-27 the rate was 5·4 per cent., for 1927-28 5·88 per cent., and for 1929-30 it will be 5·32 per cent.

12. The only important variations from the original estimate are a saving of 22 lakhs in opium expenditure, which has resulted from short deliveries and poorer outturn and another of 21 lakhs under Civil Administration, which includes 7 lakhs on account of a carry-forward of the expenditure on the India House to next year.

Departmental transactions, 1928-29.

13. As the House is already aware, the railway contribution is now estimated at 5·46 crores, which is only a little less than the budget figure of 5·48 crores. The present estimate includes 23 lakhs, being one-third of the excess over 3 crores available for transfer to the Railway Reserve Fund.

14. The working of the Indian Posts and Telegraphs Department is now expected to show a loss of 29 lakhs, which is very disappointing considering that a year ago it was expected that a surplus of a few thousands would accrue. The deterioration is mainly accounted for by the facts that the reduction in the rate for foreign telegrams has not been counter-balanced by a corresponding growth in traffic, and that the effect of the numerous revisions of pay and other concessions granted to the staff in recent years, to some extent, under-estimated. The Indo-European Telegraph Department does not show any appreciable variation on the whole and will involve a loss of about 7½ lakhs.

15. The net military expenditure has been taken at 55·10 crores as in the original budget. I shall give a fuller explanation of the military expenditure item when dealing with the budget estimates for 1929-30.

16 The main variations may now be summarised as follows:—

	(In lakhs of rupees.)	
	Better.	Worse.
Revenue from Customs	20
Revenue from Taxes on Income	50
Revenue from Salt	65
Revenue from Interest	66
Expenditure on account of Opium	22
Expenditure on account of Interest on Debt	65
Expenditure on Civil Administration	21
Loss on the working of the Posts and Telegraphs Department	29
Other heads	15
Total	1,89	1,64
Net	25	

BUDGET FOR 1929-30.

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SM thus expect to close the accounts for 1928-29 with a surplus of 30 lakhs instead of 5 lakhs previously estimated, and I propose that this sum should be credited to the Revenue Reserve Fund the balance to the credit of which will then stand at 1,04 lakhs.

BUDGET ESTIMATES FOR 1929-30.

17. I must preface my detailed account of the budget proposals for 1929-30 with certain preliminary explanations. For a proper understanding of the present position, I think one must go back to the remission of the provincial contributions which really became effective from the beginning of 1927-28, and one must consider the three years 1927-28, 1928-29 and 1929-30 together.

18. The way in which I would present the picture is this. As Hon'ble Members will recollect, the actual result for the year 1926-27 showed a surplus amounting to 2,96 lakhs and on the strength of this it was decided to remit (provisionally in the first place) the whole of the remaining provincial contributions, amounting to 2,58 lakhs per annum. It was recognised that if Government sacrificed this permanent revenue, there might at the outset be a deficit. But the intention was that the surplus of 2,96 lakhs in 1926-27 which was transferred to a special Revenue Reserve Fund, would provide a sufficient sum to bridge the gap until the normal growth of revenue had built up receipts to the requisite level. It was thought that the gap would not continue for more than one year and that by 1928-29 equilibrium would have been attained. On the revised estimates for 1928-29, which I have just dealt with, it might be said that this expectation has been fulfilled; but on a closer examination, it will be seen that the figures for 1928-29, taken by themselves, are really misleading. In fact, the revenue for 1928-29 has been fortuitously increased at the expense both of 1927-28 and of 1929-30. As I have already explained, it so happened that 40 lakhs of customs revenue which ought to have been received in 1927-28 were actually received only after the close of that year, and were thus credited to 1928-29. Further, as I have also already explained, owing to speculation in salt, the revenue from that source for 1928-29 is likely to receive 65 lakhs which, in normal circumstances, would not have been received until after the close of the year and thus properly belongs to 1929-30. If, therefore, the true nature of the results for 1928-29 is revealed, it will be seen that, eliminating these two exceptional items totalling 1,05 lakhs, the year would have closed not with a surplus of 30 lakhs as our revised estimates show, but with a deficit of 75 lakhs. The gap left by the remission of the provincial contributions had not therefore really been filled in 1928-29 and the question which I have had to ask myself in settling the policy for the forthcoming year is whether the time has now come to decide that the original expectation cannot be realised, and that it will be necessary to find some new source of revenue. To answer this question we have to take account both of the revenue and expenditure sides, for it would be impossible to say that the gap had been satisfactorily filled if that could only be done at the cost of cutting out all items of beneficial expenditure which are really essential if the needs of the country are to be met.

19. What then is the answer to this question? Will it be necessary to impose new taxation now?

BUDGET FOR 1929-30.

Sir, I believe it has been sometimes customary to keep the secret of budget proposals as regards taxation till the closing paragraphs of the speech, so as to maintain the minds of Hon'ble Members on the tiptoe of expectation till the end, and thus avoid the natural tendency to sleep which a dreary recital of figures is apt to stimulate. I do not propose to have recourse to those adventitious aids for maintaining your attention. I will reveal my secret at once. The sum and substance of the position as regards normal revenue and expenditure, which it will be my business now to describe to you in greater detail, is that we can make both ends meet in 1929-30 without recourse to increased taxation and without denying money to any urgent beneficial expenditure, provided that we use the Revenue Reserve Fund, first, to correct the artificial disturbance in the normal course of receipts from salt revenue, and, secondly, to meet certain special items of expenditure of a non-recurring nature.

20. I have decided to recommend this course for several reasons:

First, I do not think that it would be justifiable to impose new taxation until it is more clearly demonstrated that there is a permanent need for it. With reasonably favourable conditions, some of our normal sources of revenue should be capable of considerable expansion, and I think it is fair to give the plan on which the remission of provincial contributions was undertaken, the chance of another year in which to achieve its realisation.

Secondly, before imposing new taxation, I want to have a fuller opportunity of reviewing the expenditure side of the budget than has been possible in the limited time since I took over office.

Thirdly, before imposing new taxation, if that should prove necessary, I want to have ample opportunity for studying conditions throughout the country, so that I may be able to formulate proposals in the light of full knowledge of facts and opinions in such a way as to ensure that whatever is done is done in a way most beneficial to this country's interests.

But I wish to leave Honourable Members in no misapprehension on this matter. If additional taxation proves to be necessary in the following year, the need will have to be boldly faced. My present action is governed not by any fear of doing this, but by the desire to defer taking any step until I am quite certain, first, that it is necessary; and, secondly, what is the best direction in which to take it.

21. Having thus told you the general plan of the budget, I must explain in detail how the various pieces in the puzzle are to be fitted in.

Revenue, 1929-30.

22. Any comparisons which I make will be throughout with the revised estimates for 1928-29. In view of the abnormally large imports of sugar during the current year, it would not be safe to place the estimate of revenue from that source at more than 7 crores, which, in present conditions, may be considered a normal figure. This means a deterioration of 80 lakhs under this head alone. Further, the land customs figure will also show a reduction of 36 lakhs owing to the disappearance of the special factor which increased the revised estimate this year. On the other hand, I am budgetting for appreciable improvements under cotton piecegoods, protective special duties, excise duty on motor spirit, etc. On the whole I have assumed an increase of 40 lakhs.

SR . I have taken the estimate for next year at 16.60 crores—an improvement of only 10 lakhs. Owing to the absence of the specially large refunds, which were the main causes of the deterioration in the current year, the figure should actually have been appreciably larger, but I have had to allow for the effect of the industrial strikes, particularly in Bombay, and at Jamshedpur, which will make itself felt on the next year's collections.

24. As I have already indicated, the element of speculation, which has brought in a windfall of 65 lakhs in the current year, Salt. will lead to a corresponding reduction in the next, and I have therefore assumed a receipt of 6.35 crores only as compared with 7.65 for the current year.

25. As the House is aware, the revenue from opium is gradually diminishing as a result of the Government of India's Opium. self-denying policy whereby exports of provision opium are to be extinguished not later than 1935. We shall accordingly lose 42 lakhs next year under this head.

26. The only item which shows any important variation is that relating to currency receipts, which are expected to go up by Other heads. 36 lakhs. This, of course, merely means that we get back a portion of the rather high expenditure in the current year under Interest on Debt.

Expenditure, 1929-30.

27. The net payments of interest on ordinary debt show a reduction of 1.33 lakhs, accounted for mainly by larger recoveries Debt Services. from Commercial Departments and from the Provincial Loans Fund. On the other hand, there is an increase in the charges for interest on other obligations of 95 lakhs, and an increased provision of 34 lakhs under Reduction or Avoidance of Debt. The latter includes the normal increase due to the increase of debt itself and also a larger sum for Reparation payments to which I shall refer again. As regards the other heading, namely, Interest on Other Obligations, 50 lakhs of the increase represents growth in the provision for bonus on cash certificates, and as Government's liability in regard to these certificates Bonus on cash certificates. was made a subject of keen interest in last year's budget debates, I propose to go to some length now in explaining the position. The total provision to cover the bonus on the discharge of certificates which we anticipate for next year, is 1.10 lakhs against a revised estimate of 60 for the current year and an actual payment of 23 lakhs in 1927-28.

28. This is a large increase, but is it enough? I have no doubt Honourable Members will ask me: "What is our full liability? Are we meeting it? If not, why not?"

I think I can explain the realities of the position most clearly in the following way. Government, by issuing cash certificates, obtain the use of large sums of money; but, inasmuch as interest is payable not year by year but in a lump sum when the certificates are discharged, Government get the use of the money in the earlier years practically free of interest. One can see how this position has worked out by following the figures in past years.

In 1926-27, the average amount of money held by Government at cash certificates was 28·82 crores. The amount of bonus paid was lakhs; so that the effective rate of interest paid for the use of money is only $2\frac{2}{3}$ per cent. Similar figures for 1927-28 were:

average money held, 28·69 crores;

bonus paid, 23 lakhs, equivalent to $4\frac{4}{5}$ per cent. interest;

and for 1928-29,

money held, 31·50 crores;

bonus paid, 60 lakhs, thus giving an effective rate of interest of under 2 per cent.

29. Now I wish to make it quite clear that the course hitherto followed has been strictly according to the normal system of Government accounting, for, as these accounts are made up on a cash basis, it is only the actual cash receipts and disbursements which need be taken into account each year. The system cuts both ways. Thus, in the case of cash certificates which we have been considering and which are repayable with a bonus which really represents deferred interest, the earlier years benefit at the expense of the later.* On the other hand, when treasury bills are issued, the discount really represents prepaid interest and is all debited to the year in which the bills are issued, so that, if they fall due for repayment in a later financial year, it is the later year which benefits at the expense of the earlier. If transactions are on a very large scale and not all of one kind, the net result might be expected to even itself out by the balancing of one sort of transaction against the other.

30. But, in our own case, it cannot be said that there is anything of sufficient importance to counterbalance the very large transactions in cash certificates. There is, moreover, a particular danger in continuing the present practice as regards this obligation, because, if certificates are renewed, the bonus payable at the end of five years is not actually disbursed but is carried forward with the result that the real liability may be concealed for a further five years.

31 If we turn to consider what we ought to do in the present situation, I think we may say that there is a two-fold obligation. First, we ought to provide from revenue each year a sum equivalent to a fair rate of interest on the money of which we have the use. That is our normal recurrent obligation, the meeting of which will prevent the further accumulation of arrears. Secondly, we have now weighing upon us a further obligation, that of providing for the accrued liability which is made up of the amount by which the sums paid in the past by way of bonus have fallen short of the interest which was really accruing during that period.

32 Let us see what this means as applied to the forthcoming year. I calculate that, if all the outstanding certificates are held till maturity, the interest accruing for 1929-30 on the money actually in our hands would amount to about 1,50 lakhs. Against this, we estimate that the bonus which we shall actually have to pay out in that year will be 1,10 lakhs, or 40 lakhs less. Therefore, in order to meet the double obligation to which I have referred, we ought really first, to set aside this 40 lakhs from revenue and, secondly, to provide something towards wiping off the arrears of interest which have accumulated in the past. Although it has in fact proved impossible, without extra taxation, to provide in the next year's budget for more than 1,10 lakhs—and we are thus doing something short

meeting our full current liability—I think there are two mitigating factors in the situation. In the first place, on the basis of our present estimates we shall have left over in the Revenue Reserve Fund at the end of next year a sum of 14 lakhs and I have in mind the possibility that this sum or any other balance that may ultimately be available should be transferred to a Suspense Account against the liability on cash certificates. In addition to this, I think we are entitled to take into account that the provision for reduction or avoidance of debt includes a sum of 30 lakhs on account of Reparation payments. This is a later accretion to the original provision for reduction or avoidance of debt which was settled on its own merits without allowing for the possibility of this windfall. Taking these two factors into account, I think we may be satisfied that our accruing liability is, if Government's position is viewed as a whole, being fairly provided for; and I am left to consider the second part of the obligation to make some provision to wipe off the accumulated arrears.

33. I think it is fair to say that this obligation should be considered together with the general obligation of Government to make provision for the writing off of their total debt. As Honourable Members are aware, the provisions for the existing debt redemption scheme were outlined in the Finance Department Resolution of the 31st of December, 1924, and in para. 33 of my predecessor's budget speech of the 28th February, 1925. This scheme is to be in force to the end of the year 1929-30 and will accordingly have to be reviewed before the estimates for the following year are framed. I have, therefore, thought it justifiable and indeed fairer to this Assembly and to the country that any provision for amortising the accrued obligation in respect of cash certificates should be considered together with the general debt redemption scheme and not super-imposed in advance upon it. Proposals, therefore, for dealing with this provision will be worked out before the presentation of next budget.

34. The group head Civil Administration shows a very large increase of 1.18 lakhs, a matter which demands a special explanation. This head includes a great number of items of a non-recurring nature, and I have already explained that it is certain of these items which can justifiably be met, for this year at least, by a draft on the Revenue Reserve Fund.

35. It is, I think, liable to be misleading that items of non-recurring expenditure of this kind should be shown without distinction, or at any rate without some concurrent explanation in the statement of the financial position presented to the Legislature at the time of the budget, and I propose to consider for next year whether we cannot give a clearer picture of the situation by separating out, in some way, extraordinary or non-recurrent, from ordinary or recurrent, expenditure. It is, of course, true that expenditure of the former kind is in one sense recurrent, because there will always be a normal flow of demands for these kinds of expenditure. But it is always possible, in a case of grave financial difficulty, to call a halt to the admission of new items of this nature, in a way which is not possible with the normal recurrent cost of the existing establishment. I shall, during the forthcoming year, devote consideration to a different method for dealing with this kind of expenditure.

36. For the present, I will call attention to certain special items which are included:

First, we have to find as much as 29 lakhs for India House in London which is expected to be completed next year so that it will not appear again.

Again, we are providing 16.4 lakhs for agricultural research of which only 1.4 lakhs represent normal recurrent expenditure and 15 lakhs represent the initial grant towards a total Endowment Fund of 25 lakhs. I hope to be able to provide the remaining 10 lakhs in 1930-31. But in the event of financial stringency, it may be possible to postpone this, and in any case, these payments represent initial payments which will not recur. As Honourable Members are aware, the Agricultural Commission recommended an initial Endowment Fund of 50 lakhs, but, in substitution for this, the Government of India propose to create an Endowment Fund of 25 lakhs and to supplement this with an additional voted endowment of 5 lakhs each year. Normal recurrent charges on account of staff are estimated to amount to 2.25 lakhs, so that when the full scheme is going, the normal recurring charge will be 7.25 lakhs as against the provision of 16.4 lakhs made in 1929-30.

The next item for special consideration is 20 lakhs for additional expenditure on civil aviation. This again represents very largely initial expenditure of a non-recurring nature on the preparation of ground organisation, though I feel bound to point out that if an active policy of Government encouragement to the development of civil aviation is to be carried out, there will be recurring charges under this heading. The exact amount of these recurring charges cannot be estimated until the amount of subsidy that has to be paid to the parties undertaking the service is known. The point, however, which I wish to make at present, is that, so far as concerns the present programme, it includes nothing except the estimated subsidy for six months for an overland service from Karachi to Delhi, and Government retain complete liberty of decision as regards further extensions. Our financial commitments, therefore, at the moment are still under control, and a substantial part of the item of 20 lakhs, now provided for, need not necessarily be recurring.

Apart from the above items the head with which I am now dealing includes votes for general beneficial expenditure, such as, 5 lakhs for the additional grant to the Benares Hindu University; 2 lakhs for the Bose Research Institute; 4 lakhs for reclamation operations in the Andaman Islands; and 1½ lakhs for special grants to the Pasteur Institute of India.

All these items to which I have referred are special items and they account for no less than 78 lakhs. It is relevant to mention that there are other items of non-recurring expenditure of a beneficial character elsewhere in the estimates, e.g., 6 lakhs for general measures for the improvement of the conditions of the poorer population of Old Delhi and 8½ lakhs for irrigation and other development projects in the North-West Frontier Province, Baluchistan and other Minor Administrations.

37. The future efforts of Government to provide money for beneficial and constructive purposes, such as I have specially mentioned, must, of course, depend on the financial position, but I should like to take this opportunity to emphasise my own view that it would be unworthy of this country if Government did not take steps to provide themselves with revenue for meeting obligations of this nature.

Departmental transactions, 1929-30.

38. The contribution payable by the Railways to General Revenues will be 6.25 crores, inclusive of 13 lakhs on account of the one-third share of the excess over 3 crores of the amount available for transfer to the Railway Reserve Fund. The total contribution is 79 lakhs more than the revised estimate for the current year.

39. The prospects of the Indian Posts and Telegraphs Department for next year are more hopeful than is indicated by the revised estimates for 1928-29. Now that the outstanding grievances of the staff in the matter of pay and other conditions of service have been redressed, it is no longer necessary to make heavy provisions for new measures of this kind. With a moderate improvement in the revenues of the Department, it is expected to work at a loss of not more than 8 lakhs. The position is thus more satisfactory, but I regret that it still falls far short of anything which would make a reduction in postal or telegraph rates justifiable.

The Indo-European Telegraph Department is expected to show a loss of 5½ lakhs against a loss of about 7½ lakhs in the current year. The loss in working the two Departments together will thus be about 22 lakhs less than in 1928-29.

40. Lastly, I have to inform this House of the position as regards military expenditure. Apart from the grant of 10 lakhs to cover the Sheela Committee measures in connection with the Territorial Force, to which I shall not refer again, the net demand is 55 crores. Honourable Members will not be surprised to see this figure, as it was indicated by Sir Basil Blackett, in introducing the budget last year, that there was no prospect of reduction for some time to come. The general situation which Government had to face in connection with the Army was also explained to this House at length in a statement and in a memorandum laid on the table by my Honourable friend, the Army Secretary, on the 5th of September last. I need not therefore enter into an exhaustive examination of the details of this question; but I wish to give this House a short explanation of the present position in my own words.

41. It will be remembered that in the year 1922-23 when Lord Inchcape's Committee conducted their enquiry, the actual net expenditure on Defence amounted to 65½ crores. As a result of that enquiry, the Committee recommended that, in the following year, the scale of military expenditure should not exceed 57½ crores and that, in subsequent years, the estimates should be reduced to about 57 crores. They urged that a close watch should be kept on the details of military expenditure with the object of bringing about a progressive reduction in future, and indicated that, provided a further fall in prices took place, it might be possible to reach the figure of 50 crores.

42. The Committee's recommendations were accepted, subject to certain well-known reservations by Lord Rawlinson, and resulted in a reduction from an actual expenditure of 65½ crores in 1922-23 to 56½ crores in the following year. Slight further reductions have since been effected, and during 1927-28 and 1928-29 the expenditure has been about 55 crores. The substantial fall in prices which the Committee envisaged when they

contemplated the possible reduction to 50 crores after some years, has yet been realised, while Army expenditure to-day includes considerable additional charges due to causes which the Retrenchment Committee could not foresee—principally the necessity of improving the pay of the officers of the Army and granting passage concessions on the scale of Civil officers of Government in accordance with the recommendations of the Lee Commission. Further, the Army now pays customs duty on imported stores, and also pays the cost of all stationery and various other services rendered by other Departments of Government. These additional charges amount to approximately one crore of rupees, and were referred to by His Excellency the Commander-in-Chief in his speech in this House last March.

43. By 1926 it became evident that stringent curtailment in expenditure had produced deficiencies in certain essential equipment, and also that the Army in India was failing to keep pace with modern developments adopted by the British and other armies. For this reason, my predecessor, in introducing the budget for 1927-28, warned the House that only the strictest economy and vigilance would prevent a rise in the military budget. The House will also recollect the situation as regards the efficiency of the Army as explained to the Public Accounts Committee in 1927. Again, in introducing last year's budget, Sir Basil Blackett reiterated his warning of the previous year.

44. The programme for the modernisation of Army equipment which was ultimately worked out was explained in the statement made by the Army Secretary to this House on the 5th September, to which I have already referred. This programme included the expansion of the Air Force by two squadrons and a provision for the modernisation of the equipment of that Force in India; also a provision for measures in connection with anti-aircraft and anti-gas regulations and for the mechanisation of the transport and of fighting units together with the repletion of the Reserves. The total cost of the full programme was estimated at 10 crores made up of 8 crores for the specific measures defined above and 2 crores to cover subsidiary requirements not yet exactly defined.

45. The revelation of these needs created a difficult financial problem. Government decided that the military budget could not, in any case, be allowed to exceed the figure of 55 crores, and that the special expenditure required must be found within the limits of that sum. Certain automatic savings were in sight, principally those due to the reduction in the pay of British troops, amounting altogether to a saving of more than one crore; and over and above these savings, the Army authorities undertook to carry out a special economy campaign in order to provide the additional money that was required.

46. Accordingly, it was possible to devise a plan which provides that if the Army budget is maintained at a figure of 55 crores for four years—starting with the year 1928-29—then, apart from any abnormal or unforeseen circumstances the necessary special expenditure will be found within the limits of this sum. As it is impossible to forecast exactly the rate at which the new equipment will be provided and as it is important to avoid fluctuations in the military budget from year to year, it is proposed to adopt the procedure of transferring to a Suspense Account any sum within the limit of 55 crores not spent in any particular year, on the understanding that this Suspense Account can be drawn upon in subsequent years. This is really a logical corollary to the system of net grants with liberty to reappropriate savings to meet expenditure on

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cial new services—a system the advantage of which, as a temporary arrangement at any rate, was recognised by the Public Accounts Committee in 1927.

47. Provided that a close check is kept throughout by the Finance Department on all expenditure, it may be claimed that there are considerable advantages in an arrangement on these lines, for it has the effect of removing all inducement to the Army authorities to rush through expenditure before the end of a financial year in order to avoid the lapsing of a particular grant. I think, indeed, that in the carrying out of such a programme of re-equipment as I have explained above, it is essential to have some provision of this nature for equalising the actual appropriations over a period of years. A further advantageous result which, according to my information, the experience of the working of the arrangement since last summer has demonstrated, is that it results in the whole-hearted co-operation between the Army authorities and the Finance Department in the search for all possible economies, for the Army authorities know that the completion of the programme of re-equipment is dependent on the discovery of such economies. I am glad to be able to take this opportunity of testifying to the helpful attitude adopted by the Army authorities in this matter.

48. In order to show how the arrangement is actually working out, I may state that for the current year, 1928-29, the expenditure on normal standing charges of the Army will be 53½ crores, leaving approximately 1½ crores which will have been devoted to the special programme. It is further estimated for 1929-30 that the ordinary maintenance charges in the Army will amount to 52·94 crores, leaving a margin of 2·06 crores for expenditure on the special programme.

49. The normal cost of the standing military charges is thus being steadily cut down and it is, therefore, possible to hold out a very definite hope that when the four years' programme of re-equipment is completed, that is to say, after the year 1931-32, the total military budget will, apart from any circumstances which cannot at present be foreseen, be substantially reduced. It would be unwise for me at present to commit Government to promising a definite figure, but I can assure the House that the Finance Department will exercise the closest scrutiny of the execution of the programme.

50. Although these ultimate savings are in sight, I am fully conscious that the House must share with me, as a Finance Member on the threshold of his term of office, a feeling of disappointment that no immediate relief for the budget can be obtained from the economies which are really being effected in the standing military charges of the Army. It will, however, at least be something of an achievement if an important programme for modernising the equipment of the Army, costing about 10 crores, can be carried through in 4 years without an increase in the budgetary provision. Moreover, it can be definitely stated that when the programme is completed, the country will be provided with a more efficient force at a smaller cost. To give the country better value for its money must indeed be the keynote of our policy. To this extent at least, I hope that all can agree that the programme which I have outlined is a move in the right direction—a direction in which future progress must constantly and energetically be sought.

51. I wish to make it clear that, in giving the explanation which I have just completed, my object has been to lay the facts as fully as possible before this House and to indicate to them the programme which Government

have in mind. At the same time, there will be no change in the existing system of financial control, while Government are under no binding obligation in the matter. Unforeseen circumstances, such as an acute financial crisis, or constitutional changes occurring before the programme is completed, might modify its execution. If, however, circumstances remain normal, it is the settled intention of Government to work upon the lines which I have explained.

52. The more important variation from the revised estimate may now be summarised as follows:—

						(In lakhs of rupees.)	
						Better.	Worse.
Revenue from Customs .. .. .	..	..	..	..	..	40	..
Revenue from Salt .. .. .	..	..	..	..	..	..	1,30
Revenue from Opium .. .. .	..	..	..	..	..	..	42
Revenue from Currency .. .. .	..	..	..	..	..	36	..
Expenditure on account of Civil Administration .. .. .	..	..	..	..	..	..	1,18
Net contributions from Railways .. .. .	..	..	..	..	..	79	..
Loss on the working of the Posts and Telegraphs Department .. .. .	..	..	..	..	..	22	..
Other heads .. .. .	..	..	..	..	..	..	7
Total						1,77	2,97
Net						1,20	

The net result for 1929-30 is therefore 1,20 lakhs worse than for 1928-29, or in other words, instead of the surplus of 30 lakhs, which the revised estimates show for the current year, we shall have to make up a balance of 90 lakhs in 1929-30 from other sources.

53. If it had not been for the fact that 1928-29 has gained 65 lakhs from salt revenue at the expense of 1929-30, the latter would actually have shown, on balance, an improvement of 10 lakhs over 1928-29, and the amount required to balance next year's budget would have been no more than 25 lakhs. Taking this into consideration, and in view also of the fact that the Civil Administration estimates this year contain a number of special items to which I have already referred and some of which need not necessarily be repeated, I have, as already explained, thought it justifiable to provide the necessary balance from the Revenue Reserve Fund and to defer any question of imposing new taxation. The Revenue Reserve Fund, as already explained, is expected to stand at 1,04 lakhs on the 31st March 1929, so that, by providing from this source the sum of 90 lakhs which is required to balance the budget for 1929-30, there will still remain a balance of 14 lakhs left in the Fund at the close of that year.

54. I have dealt so far with the normal budgetary situation and have left one particular proposal till the end. The Finance Bill, which I shall very shortly beg leave to introduce, contains a provision, necessitated by the recommendations of the Indian Road Development Committee, for the increase, from 4 to 6 annas per gallon, of the import and excise duties on motor spirit. The additional revenue expected to be realised on this account is 6 lakhs in the current year and 83 lakhs in the next. These amounts have, accordingly, to be

to the estimates of customs revenue which I have already mentioned in the House. But there will also be a corresponding addition to the charges under the Civil Works head, representing block grants of the same amounts, which will be credited to a Road Development Fund from which disbursements will be made from time to time to Provincial Governments and others on the general lines recommended by the Committee. I have to make it clear that this is a measure of taxation which is not designed for the advantage of the general revenues of the Central Government but for a specific purpose which has been unanimously recommended by the Committee, and which, I have no doubt, will be welcomed by this House. The Committee, as I might remind Honourable Members, was appointed in consequence of a resolution moved in the Council of State. It consisted of 14 members of the two Chambers including representatives of all parties and of the Government, and it was presided over by my Honourable and learned friend, Mr. Jayakar, to whom I should like to take this opportunity of expressing my sincere admiration for the manner in which he accomplished his task. The subject is of great importance for the economic, social and political progress of the country generally and of the rural population in particular. It is a subject on which many divergent views are held, and it is complicated by the constitutional relations of the Central and Provincial Government. Nevertheless, the Committee has submitted unanimous recommendations which appear to be generally acceptable, practical in their immediate application, and charged with far-reaching possibilities of future development.

The report has an added, though indeed a sad, interest in that it was signed by the late Lala Lajpat Rai who gave much time and labour, in co-operation with representatives of all other parties and of Government, to this constructive effort for the welfare of the country.

55. The main figures of the budget, after allowing for the transfers to and from the Revenue Reserve Fund and for the additional taxation and its disposal just referred to, stand as follows —

						(In crores of rupees.)	
Final result.						Revised.	Budget.
Revenue	..	..	..	..	..	1,31.20	1,34.06
Expenditure	..	..	..	..	..	1,31.20	1,34.06

WAYS AND MEANS

56 I must now turn to a review of the ways and means position, and before I give any detailed account of the probable results for the current year and of my forecast of requirements for the forthcoming year, I wish to attempt some general review of the situation. It would be natural for me to do this at the commencement of my term of office. But, quite apart from this, I think the time has arrived when it is necessary to take stock of our position—to stand back and take a view of the progress over the past years and of the course upon which we are set.

57. The dominating feature that strikes the eye when one turns to review the course of past years is the great amount of capital development which has been achieved with a comparatively small increase in the public debt of Government

58. Let me give certain figures illustrating the position. In the years from the 1st April 1923 to the 31st March 1928, Government undertook capital expenditure amounting to about Rs. 1,20 crores and about £49½ millions. As against this sum, they raised, by way of loans to the public, a net amount (by which expression I mean the net proceeds of the new loans less the amount of old loans and treasury bills paid off) of about Rs. 12 crores and about £18 millions. That is to say, during these five years, sums of no less than Rs. 1,08 crores and £36½ millions were provided from sources other than an increase in what is generally known as the public debt. Of the total amount of the capital expenditure to which I have referred, by far the greater part is accounted for by expenditure on the railways, the amount here being Rs. 69 crores and £48¼ millions. Other capital works account for Rs. 12 crores and about £2½ million; and Advances to the Provincial Loans Fund, Rs. 39 crores.

59. The question which Honourable Members will naturally ask is, from what sources the rest of this money has been provided and whether it is possible to rely on these sources to the same extent in the future.

To give figures which are exact in every detail would involve a very long and complicated statement. It will be sufficient for my present purpose to give approximate figures of the main headings which I may state as follows:

Post Office Cash Certificates and Post Office Savings Bank deposits ..	37	crores
Other Savings Bank deposits	19½	„
Revenue surpluses (including those in Revenue Reserve Fund) ..	12	„
Provision for reduction or avoidance of debt	22½	„
Other appropriations from revenue	3	„
Reduction in opening cash balance in India	16½	„
Depreciation and Reserve Funds	25½	„
Provident Fund balances from Railway companies	9	„
Gain by Exchange	7½	„

These items together amount to 1,52½ crores, and out of this sum the balance of 1,08 crores to which I have already referred, has been found, leaving a surplus of 44½ crores. The balance of sterling capital expenditure of £36½ millions to which I have already referred, has been found by the remittance of this surplus of 44½ crores supplemented by a reduction of £4½ millions in the sterling balances.

60. These results indicate a remarkable achievement and a very great strengthening of the intrinsic position of the country and the security which it can offer for future loans. The provision which has been made from revenue, and even the utilisation of the Railway Reserve and Depreciation Funds, to which I shall have occasion to refer again, represent a process which, to use a commercial expression, amounts to the "putting back of surplus earnings into the business" which is the process by which most sound and prosperous undertakings are built up.

61. At the same time, an examination of the figures which I have quoted does force one, in giving consideration to the future, to ask whether the resources which have thus been relied on in the past to supplement borrowing, will be available in the same measure in the future. It is clear that,

some extent at least, this cannot be the case. Government balance have been reduced to the lowest reasonable level; budget surpluses for the future can hardly be counted on to the same extent; the sale of cash certificates shows a progressive diminution year by year, though, as far as this is concerned, the result does not necessarily indicate that the money thus was provided through this channel may not be available for investment in Government securities in some other form, now that the yield on such other securities has improved relatively to that on cash certificates. As regards the use of Railway Reserve and Depreciation Funds, and the maintenance of the accretions to the funds on the same scale, this of course raises debatable issues into which I cannot fully enter now, but which must be further discussed during the examination of the Railway Convention which is to take place this year.

For my present purpose, it is sufficient to draw, from the review which I have given, the conclusion that Government must be prepared in the future for having to raise a larger proportion of their capital expenditure in the form of public loans. There is an obvious corollary to this, viz. that we must keep our capital expenditure under effective control and be watchful to limit it in accordance with the amounts which we can provide without over-straining the credit of Government in the open market.

62. I shall have something more to say later on the general policy affecting Government loans, but before doing this, I wish to explain the ways and means position for the current year and next year. An examination of the position for these two years confirms the conclusion to which my survey up to this point has led me.

In 1928-29, it was already necessary to resort to borrowing on a large scale and the forecast that was presented with the budget for the year proved to have under-estimated the needs in this direction.

63. I have prepared a summary, in the usual form, of the ways and means position for the current year and next year:—

		(In crores of rupees.)	
		Revised, 1928-29.	Budget, 1929-30.
<i>Liabilities.</i>			
Railway capital outlay (construction)		26.0	26.5
Purchase of Railways		4.0	7.0
Other Capital outlay		1.7	2.1
Provincial Governments' transactions		12.1	7.2
Discharge of public debt (net)		10.9	3.9
Other transactions (net)		.4	1.4
Total		64.1	48.1
<i>Resources.</i>			
Rupee loan (net)		33.8	18.0
Sterling loan (net)		12.1	7.0
Postal Cash Certificates and Savings Bank		3.7	5.3
Other unfunded debt		1.9	4.9
Debt redemption		5.6	6.0
Depreciation and Reserve Funds		6.3	5.8
Reduction of cash balances		-2.3	1.1
Total		64.1	48.1

64. Dealing with the current year, the following are the main items of interest. The opening balance, taking India and

Current year.

England together, turned out to be 4 crores less than estimated a year ago. This was because actual issues of treasury bills in March last were $1\frac{1}{2}$ crores less, and railway capital expenditure was $2\frac{1}{2}$ crores more, than contemplated. The position during the year has also worked out worse than was anticipated. First, railway capital expenditure again threatened substantially to exceed the original estimate, and, in spite of an application of the brake in August, is likely to amount to 26 crores, instead of 24 crores as estimated; secondly, the net receipts from cash certificates have latterly shown signs of falling off as I have already explained; lastly, the weather conditions referred to at the outset of my speech have resulted in considerably larger drawings by certain Provinces. All these factors combined made it necessary to strengthen the position temporarily by the issue of sterling bills in August for £6 millions and eventually to provide for a more permanent reinforcement by the issue of a $4\frac{1}{2}$ per cent. loan in January last in London for £10 millions at 91. The proceeds of this loan will be directly used to pay off the sterling bills and to meet the purchase price for the Burma Railways.

65. Apart from this transaction, events followed closely the course anticipated. The rupee loan issued in July was successfully launched in the form of a $4\frac{1}{2}$ per cent. 1933-60 Loan and $4\frac{1}{2}$ per cent. 1934 Bonds, which brought in 9.06 crores (nominal) and 25.98 crores (nominal) respectively, or a net total of 33.8 crores. It will be seen from what I have said that the current year has already provided an illustration of the need for increased borrowing, if a programme of capital expenditure on the present scale is to be continued. But there are certain special points to which attention should be called.

First, the capital expenditure included 4 crores for the purchase of the Burma Railways which may be regarded in a sense as an artificial addition to normal needs; secondly, even for this year with its larger sterling and rupee loans, the net amount borrowed from the public in India and England together in the form of loans and treasury bills, after allowing for discharges and conversions, has only been 26 crores as against an aggregate capital outlay of just under 44 crores for Central Government's capital expenditure and drawings by Provinces. The treasury bills outstanding with the public, which, according to the budget estimates of the current year, should have stood at 9 crores, are now expected to be reduced to 6.95 crores at the close of the current year. It will be my endeavour further to reduce the outstandings of treasury bills so that these do not remain a permanent feature in the local money market conditions.

On the whole, it may, I think, fairly be claimed that Government, in spite of difficulties, find themselves at the close of the current year in a stronger position than they held at the beginning.

66 I can now turn to consider the prospects for 1929-30. The task with which I found myself faced was this. The

Next year.

Railways—our chief consumers of capital—were in the course of executing a large programme containing many projects. Their organisation for carrying out new construction had been developed to a point at which they could get on expeditiously with all the work in hand, in fact so expeditiously that for the current year and the two preceding

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; years they had substantially overspent their allotment. On top of this, notice had been given that Government would exercise their right to purchase the Southern Punjab Railway on the 31st December 1929, which meant finding £5½ millions in sterling payments. Further, the Provinces were likely to require their normal ration of capital, with a prospect that this might have to be increased in order to provide for loans to cultivators in those areas where the crops had failed. The chief question which those responsible for the finances of the country had to ask themselves in these circumstances, was whether it was desirable to attempt any sudden and drastic restriction in the capital programme of the Railways. A close examination of the position revealed that this would be, on almost every ground, undesirable. A programme of railway development, once it has got under way, cannot suddenly be interrupted without great waste. One commitment leads to another. New branch lines bring more traffic and this means that trunk lines have to be strengthened. Heavier trains must be drawn, which means relaying with heavier rails, rebuilding or strengthening bridges, purchasing heavier locomotives. The heavier locomotives bring the need for remodelling or rebuilding repair shops. And so it goes on. If the programme is not carried to completion, the full economic value of the work in the first stages is lost.

67. Apart from this, it seemed to me very undesirable that, at a time when the general state of industry and trade in the country is at least somewhat below par, public expenditure on work which gives a great deal of local employment should be suddenly and drastically cut down.

68. On the other hand, I have kept constantly before me the conclusions which my earlier review of the situation has revealed, and, in framing a programme for next year, my guiding rule of policy has been this—that, while avoiding hasty action or serious dislocation of current work, we must get the course of capital expenditure well under control so that its pace can be regulated according to financial conditions, and so that, in case of difficulty, it can be slowed down without involving any damaging jar to the machine.

69. In the end, we have provided, as has been indicated in the figures which I have already given, for a capital expenditure of 26½ crores on the railways—a substantial sum—but the real feature in the programme is this; that the bulk of the money is to go on the execution of current work and that new commitments have been cut down to a minimum. There could thus, if necessary, be a substantial reduction in 1930-31, while measures have been adopted to ensure that the allotment for 1929-30 will not be overspent. On the other hand, work is being continued on a scale which avoids the necessity of any general dismissal of construction staff, so that, if at the beginning of 1930, prospects are not unfavourable, new projects can again expeditiously be put in hand. The working off of old commitments which is taking place this year, will mean that, if anything like the same amount of capital can be provided next year, a far larger proportion will be available for taking up fresh projects for new lines.

70. The result of the whole programme as now settled is that, allowing for a reduction in Public Debt of just under 4 crores—in treasury bills and sterling obligations—we shall require to raise a total new loan of 18 crores. On top of this there is the £5½ millions to be found for the purchase of the Southern Punjab Railway, and as this represents the taking over of

a sterling obligation which is already in existence, I have shown in my forecast that it will be met by a sterling loan. The situation, however, as far as concerns next year, is really better than I have shown, because, according to the agreement with the Southern Punjab Railway, although the purchase price becomes due on the 31st December 1929, the actual payment can be postponed for another four months at 3 per cent. interest. It is therefore not at all improbable that this obligation will not affect our ways and means position until 1930-31. As regards the 18 crores to which I have referred, the question whether the whole of this sum will be found by the issue of a rupee loan in India or whether a part, large or small, will be raised in the form of a sterling loan in England is one which will be settled in the way which best suits India's interests, having regard to the conditions which are found to prevail. If there has been any apprehension lest Government's needs for borrowing next year might have a seriously disturbing effect on the market for Government securities, I think this forecast should allay it. The raising of a total sum of 18 crores, either here or in London, should, with normal conditions, offer no difficulties. These considerations bring me to the much larger question of the whole borrowing policy of Government, on which I feel it important to make some general remarks in order to clear away misunderstandings.

But before embarking on this wider issue, I will complete my account of the particular transactions for the current year and for next year.

71. A year ago it was estimated that we should require to remit £36 millions to London in 1928-29. Imports of sovereigns from South Africa, which were presented at our Currency offices between the 15th November 1928 and the 15th January 1929 amounted to about £1·8 millions, and, apart from this, imports of treasure have, on the whole, been on a somewhat larger scale than during last year. This has affected our power to remit the full amount by means of sterling purchases in the open market. The raising of a sterling loan in January, which I have already referred to, has reduced the amount which must be remitted in the current year to £29½ millions, of which up to the 28th of February we have succeeded in remitting just under £27 millions. On the assumption that the sterling payment for the Southern Punjab Railway will be met by means of a sterling loan next year, the amount required to be remitted to London in order to enable the Secretary of State to close with a normal working balance is now estimated at £35½ millions.

72 I must now revert to a general review of Government's borrowing policy. I have recently read numerous press criticisms on this matter and many exhortations from well-wishers who have offered me guidance as to my tasks and opportunities. I read all these with interest and some with gratitude, for even those that are couched in unpleasant language are at least stimulating. But when I am told that the Government of India must abstain altogether from borrowing, I can only feel that such advice ignores realities.

73 In considering policy on this matter, there are two main questions to answer. First, are Government to continue to encourage an active policy of economic development? Secondly, how is the necessary money to be raised?

74. I can hardly imagine that any one could answer the first question with unqualified negative. Capital expenditure which has been undertaken in the past five years, particularly on railway development or irrigation-

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proved remunerative and greatly to the benefit of the country. Such policy, provided the schemes are wisely chosen and well executed, must help towards the result which we all desire and on which the prosperity of India can be most firmly founded, namely, the improvement of the power of production and of the standard of life for the vast rural population of this country, which must be the basis and foundation for prosperity in the industrial centres also. Quite apart from this, as I have already said, it would be particularly unfortunate if works of this kind had to be drastically cut down during the present period of depression of which we have heard so much in debates during this session. But, while I would press forward a wise development policy with the greatest keenness, I must also recall the words of warning which I have already used, and avoid any course which might overstrain the credit of the country. The future requires the difficult combination of enterprise and caution; enthusiasm and self-control.

75. On the second question, as to how the necessary money should be raised, I entirely agree in principle with the policy which was advocated by my predecessor that Government finance should be based as far as possible on attracting rupee capital in India. It is only in so far as money cannot be raised from the investing public in India that I should ever con-

sider having recourse to sterling borrowing. I wish to leave no shadow of doubt on this matter. How far it is possible to follow out this policy depends almost entirely on the people of India. If all the money which now goes to the import of treasure was to be made available for investment in productive undertakings, India's needs for foreign capital might well disappear. Even in the forthcoming year, with a large capital expenditure programme, we need to raise only 18 crores from the public against which may be set the fact that the average net imports of treasure since the War, excluding the abnormally high figures for 1924-25, have been more than twice as large in value.

76. This is a well-worn subject and I do not wish to dwell on it further. It calls for action rather than words. I fully recognise the difficulties, and that Government cannot expect to get the small men all over India to invest their savings except as a result of a steady course of education and the provision of better facilities. This is a matter on which I hope our Banking Enquiry will throw light. In any case it is one of our main tasks for the future. If I can do anything in this respect, I shall only be following in the footsteps of my predecessor, and, if I might pay him a tribute, I would say that perhaps his greatest work in a wonderful record of achievement was the stimulus which he gave to the fruitful employment of the savings of the Indian public in the development of India's resources. But however enthusiastic one may be about this idea, one must face practical realities. Conditions cannot be changed in a day, and if there are times when the whole capital required to continue a reasonable policy of development cannot be raised in India, then I can see no valid reason for refusing to have recourse to moderate loans abroad. It would, in my opinion, be a far greater evil to hold up the proper development of the country merely for the sake of avoiding all sterling borrowing, however moderate the amount. It seems to me, judging by comments which have appeared in the press and from remarks which have fallen from Honourable Members opposite in the course of debates during this session when the general condition of the country was under discussion, that there is a good deal of misapprehension on the subject. It has been implied, for example, that the policy involves India in borrowing at ruinous rates for the sole advantage of England. There could be no greater misapprehension. We

can still borrow at very reasonable rates, while, so far as advantage British interests is concerned, it must be remembered that the total amount that can be raised on the London market is strictly limited, so that, India did not appear as a borrower, her place would easily be filled. In fact, the difficulty lies rather on the other side, namely, how to find room, in the limited number of issues that can be permitted, for all those who want to provide themselves with funds.

77. In all business relations it is desirable that there should be mutual advantage; but I am quite certain that in this particular relation, the balance of advantage lies on the side of India in that she has so privileged a position among the borrowers who seek funds in the London market.

78. A second misapprehension which also appears prevalent is that it is derogatory to the dignity of a country, or evidence of a weakness of its position, that it should have recourse to external loans. But this is an essential condition of any country in the early stages of its development, and, in this sense, India still is in the early stage of her economic development.

Even a wealthy and highly-developed country like the United States, until the Great War, got large sums of investors' money from the London Market for financing railway development projects and other enterprises of this kind. It has been estimated that in 1914 British investments in the United States, chiefly in railways, amounted to something like £760 millions. Moreover, all the great Dominions are constant borrowers in the London market. A large proportion of the railways of South America have been built with capital raised in England, while Japan, whose political and economic progress is ever held up as an example, has been a large borrower both in London and in New York, and, I might add, has her loans quoted on a 6 per cent. basis in London, and a 6½ per cent. basis in New York, as compared with the 5 per cent. rate at which India gets her money.

79 Further, I think that there is a good deal of misapprehension as to the extent to which India's sterling indebtedness has had to be increased during the past years. In an earlier part of my speech, I gave some figures as to borrowings in the five years ending the 31st March 1928. Let me carry these figures down to the end of the current year, so as to include a year of comparatively heavy borrowing. In the six years ending with the 31st March 1929, capital expenditure abroad will have amounted to £60 millions. Against this, loans producing net amounts of £18 millions in 1923-24, of £6,862,500 at the end of 1927 and of £9,100,000 in the last loan issued in January have been raised on the London market. But on the other side, permanent sterling debt has been discharged regularly each year over this whole period in the form of railway annuities and otherwise. The final result is that although according to the figures which I have just given, a capital expenditure of £60 millions has been undertaken, the net balance raised by the increase of sterling funded debt has only been just under £20 millions. This sum must be still further reduced when it is taken into account that the sterling expenditure includes the purchase of the Burma Railways at £3 millions. By this transaction, sterling securities were cancelled so that the net amount of foreign capital on which India as a whole has to find interest in foreign currency has really only been increased to the extent of the loans necessary to raise £17 millions.

80. In order to complete the picture, it is necessary also to take into account any reduction which has taken place in sterling resources. Sterling treasury balances were reduced during this period by about £4½ millions, while transfers of sterling from the Paper Currency Reserve amounted on balance, during the same period, to about £3½ millions.

I think it is no small achievement and demonstrates the strength of the rupee exchange position that this very large amount of capital expenditure abroad has been effected with so small an increase of external indebtedness.

81. I must also add a few words on one more heading in connection with this matter. Even if the amount of our borrowing had been much larger, it would not have been out of proportion to the undertaking for which the Government of India are responsible, seeing that they have to finance practically the whole railway and port system of this vast continent which contains one-fifth of the population of the world, and also to provide money for irrigation and other development projects. Government borrowing may cover many purposes, and in some cases it may be a sign of weakness. But the borrowing by the Government of India, of which I have been speaking, and which we have to contemplate for the future, indicates rather an increase in strength. For whatever is borrowed will be more than covered by sound productive investments producing a larger revenue than is required to meet the interest charges. This leads me to the consideration that it may be desirable for the future to devise some means for so presenting our demands for new money as to demonstrate more clearly to the public the purposes for which the money is to be applied and the inherent strength of the position.

82. While this may indicate one important line for future consideration, our main task must still be to seek for every possible means to educate and provide opportunities for the people of this country so that they may let their savings flow into productive channels. There is room for much effort still in this direction and even a moderate success may eliminate the need for external borrowing. But if, before this goal is reached, some such borrowing is necessary, I trust that Honourable Members will help me in this matter by taking a view of the situation uncoloured by political prejudices.

83. I have only a few more words to say as to the debt position. Prices of Government securities. Following the practice of previous years, I quote the market prices of certain typical securities of the Government of India in India.

Market price on the 20th February.

	1923.	1924.	1925.	1926.	1927.	1928.	1929.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
5 per cent. Tax-free loan, 1945-55 ..	89 8	97 12	97 15	101 4	107 2	106 11	103 15
3½ per cent. rupee loan ..	58 0	65 14	66 9	71 6	77 7	76 1	72 6

Prices, of course, are now much lower than the peak figure of 1927. But they are still substantially higher than in 1926 or the earlier years, and I think the review which I gave earlier in my speech will show that

prices which ruled in 1927 and the beginning of 1928 were, in a sense, a artificial result of the abnormal abstention from borrowing which had been possible in the preceding years. The process of decline is always unpleasant, but there is at least this to be said, that the higher prices of two years ago drove some investors to seek better yields abroad, and that, taking a broad view, we may be now on a healthier level.

84. I must also refer to debt statistics. My predecessor used to

Debt statistics. embody in his budget speech a statement showing the debt of India outstanding at the close of a series of years. I find, from the general discussions which took place in this House last year on the budget, that a desire was expressed that the figures might be shown in a somewhat different form, and I have this year endeavoured to produce a statement of a more comprehensive nature. To the list of obligations I have added the depreciation and reserve funds and those portions of provincial balances which bear interest. To the list of productive assets shown in previous years I have added the interest-bearing loans made to the public. At the same time, in order to give as complete a picture as possible, I have added the amounts of cash, bullion and securities held on Treasury account. Although I have tried to meet Honourable Members' wishes in this matter, I must warn them that it is extremely difficult to compile any statement which gives a complete picture of the situation. The statement which I have given makes no claim to be a complete balance-sheet. Moreover, there are many special factors which tend to confuse the picture. For example, if a loan to raise £9,100,000 is brought out on a $4\frac{1}{2}$ per cent. basis at 91, the figure for our obligations in the table is shown as £10 millions. Had a loan to raise the same amount taken the form of a 5 per cent. loan brought out at par, the increase in our debt would only have appeared as £9,100,000. Further, although I have now included among Government's obligations the balances which they hold from the Railways on account of the Reserve and Depreciation Funds, these are, in reality, obligations of a different type from Government's obligations on account of loans raised from the public. Although the Railways can be regarded as something separate from Government nevertheless, in the case of the Reserve Fund, for example, this is really, in a sense, held for the benefit of Government in order to ensure the payment of the railway contribution in bad years.

85. I mention these facts merely to show Honourable Members that it is difficult to provide a statement which is not open to some criticism on one side or the other. I can only say that it is my desire that they should be provided with the fullest possible information; and if there is any difficulty in understanding the tables which I have given or in reconciling the particular table to which I am referring with the summaries which I have given in the earlier part of my speech, I should be willing to give further explanations. The table, as it stands, at least reveals that behind the public debt of India, there is being built up an ever-increasing backing of valuable security.

86. Sin my course which, I fear, has been a very long one is nearly
Exchange run. I have only one more obstacle to negotiate
and then I can take a straight run home. I feel that Honourable Members would think I was shirking a part of my task if I did not refer to the ratio question, for I must do those who have raised the question in recent debates in this House at least the honour

taking them seriously. At this late hour I want to be brief and I sh also to avoid saying anything which will provoke controversial retorts. Therefore, I leave unsaid much that I could say with force and conviction and will confine myself to one simple aspect of the matter.

87. I am fully conscious that there are those in this Assembly who honestly and honourably advocated the view that the rupee ought to be stabilised at 1s. 4d. when the issue was still an open one, and the country in a sense had a free choice before it. I do not seek to convince any of those who took this course that they were wrong,—though this involves no admission on my part, and is, as the lawyers say, entirely “without prejudice”. I would put to them a much simpler question: Can it seriously be proposed, as a practical course, that after working on a basis of 1s. 6d. for several years—a basis actually fixed by statute since 1927—that this Government could deliberately decide to devalorise their currency by 11 per cent.? I shun all forms of over-statement, but I can hardly conceive the possibility of any more disastrous course. It would cause injustice to thousands of individuals who had entered into previous contracts, among whom perhaps the most important are the workers, manual or otherwise, whose wages and pay have been fixed on a different basis, and it would strike a blow at the credit of India in the eyes of the world from which it could hardly recover. For, what guarantee would other countries have that a word once broken would not be broken again? All the arguments which are used for advocating a drop from 1s. 6d. to 1s. 4d. could be used with equal force for further inflation and further depreciation of the currency.

88. I have never seen any practical suggestion made as to how such a change could be brought about; but I feel sure that any man who really understands the working of these matters will realise that whether it were to be done by a stroke of the pen over-night, or allowed to take place as a result of a long period of weakness on the part of Government, the results would be equally dislocating and disastrous.

89. I sympathise whole-heartedly with those who, like my Honourable friend, Pandit Madan Mohan Malaviva, have expressed, in terms of great eloquence, their burning desire to improve the economic condition of the people. But I would say to him that the only way in which that can be done is by the constant and combined effort of Government and all those who can influence public opinion, directed to the extension of education and credit facilities, to the encouragement of hard work and thrift, and to an increase in real wealth by the introduction of improved methods of cultivation and communications. Anything else is no more than a quack remedy.

90. I do not deny that if Government were to adopt a deliberate policy of inflation and depreciation of the currency, that might act as a temporary stimulant, for it would induce a period of rising internal prices which is always encouraging to trade and it would also bring about a reduction in real wages which would benefit employers of labour making goods for export. But experience in many countries since the War is available to illustrate how dangerous is the use of such a stimulant and what disastrous reactions it may produce. For it cannot go on for ever, and it is only during the period when currency values are falling that the stimulant works. When a fixed level is reached again, prices must eventually adjust themselves and the plodding task of normal business has to be resumed once more.

91. Some of those who have spoken on this subject have likened present financial conditions of India to the state of a sick man, who needs some remedy. It may be said, I suppose, that upon myself as directing some degree the finances of the country, there falls the heavy responsibility of the doctor. The doctor's calling is a noble and difficult one and perhaps its duties have never been better put than in the words of the oath which Hippocrates, the Greek philosopher and scientist, who lived more than two thousand years ago, made his disciples swear. Let me repeat some of its words:—

"I swear by all gods and goddesses that I will, according to my power and judgment, make good this oath and covenant that I sign. I will use all ways of medical treatment that shall be for the advantage of the sufferers, according to my power and judgment, and will protect them from injury and injustice. Nor will I give to any man, though I be asked to give it, any deadly drug; nor will I consent that it should be given; but purely and holily I will keep guard on my life and my art."

Sir, I would willingly accept no less binding vows, but, if I were to listen to those who advocate inflation and depreciation of the currency as a remedy for the present state of this country, I should be untrue to such an oath. Then, indeed, should I be administering a deadly drug.

92. But let me ask: Is the country really suffering from any sudden and new disease? Are we not really in danger of exaggeration when such words are used? Judged by all ordinary standards—figures of foreign trade, railway returns, etc.,—India is more than keeping her place in comparison with other countries. Depression in trade is prevalent throughout the world and I venture to say that there is distress in other countries to-day, equal to, or greater than, that which is felt in India and attributable, like much of India's trouble, to world causes. I fully accept the statement which I have heard in this House that the standard of living among the rural population of India is miserably low, and I yield to no Member on the other side in my keenness to take a hand in a joint effort to remedy it. But this is no sudden and new phenomenon. No one can point to the particular date when the rupee was stabilised at 1s. 6d. and say truthfully: "This is the date when it began; before this we all lived in a golden age."

93. Sir, there is one condition above all others which is requisite for commercial prosperity and that is a condition of security. If this talk about reducing the ratio is taken seriously, it can only produce a feeling of uncertainty and insecurity and, amongst other unfortunate results, it must tend to induce those who can do so, to invest their money abroad.

94. I cannot believe that it really is taken seriously by the bulk of the business world, but still, talk by responsible Members of this House cannot be without some effect. Therefore, I would appeal to those who have urged a contrary course and say to them: "You have done your best for what you thought right. Whether the course actually taken was right or wrong, it would be a far greater evil now to alter it and Government are bound to use all the resources at their command to prevent its alteration. The time has come therefore to look to the future in which the interests of the country demand, above everything, that we should pull together to work out our salvation on the present level." Response to such an appeal would bring honour to all who accorded it.

There is another ground on which I would urge on all those that the public interest at heart to make an end of this talk which ascribes evil to the 1s. 6d. rupee and holds out a 1s. 4d. rupee as the magic remedy which would bring prosperity to all. Such talk is harmful because it diverts men's minds from efforts to pursue the hard path to any real improvement. Let us rather unite to forge our way along this path, and, on my part, I promise to spare no effort and to reject no sound suggestions which can help to clear it.

96. Sir, I have tried to present to-day a plain and unvarnished statement of facts—disguising none of the difficulties and exaggerating none of the favourable features. The Conclusion. note which I have wished to strike in my speech and to embody in my budget proposals is that we must look at the state of the country with a broad vision and not rush into sudden measures on the influence of what may be only a temporary condition.

If one looks back over the past six years, one cannot fail to be struck by the great inherent strength exhibited in the position. On the side of capital expenditure, I have quoted figures to show how enormously the productive assets of the country have been increased in proportion to the loan liabilities incurred. A broad view of the revenue position is also encouraging. When one considers all the revenue which has been sacrificed by the Central Government in the past six years in order to give greater latitude to the Provinces or to provide some economic advantage to the country—nearly 10 crores of provincial contributions given up, and in taxation 1½ crores on cotton excise, 85 lakhs on machinery, 1½ crores on opium, to mention only the most important cases—and when one then realises how the other sources of revenue have moved towards filling the gap, I think one is justified in feeling confidence as to the future. It might perhaps be said that the rate of capital expenditure has recently shown tendencies to acquire too great an acceleration or rather, to put the matter in another way, Government have not increased their fixed capital (that is to say, money at their disposal from long-term loans) quite sufficiently in proportion to the expansion of the business. Possibly also, sacrifices of revenue have been based on expectations which, for the moment, may prove too optimistic. With these possibilities in mind, I would say that we are passing through a period which needs a steady hand on expenditure and the careful conservation of our credit and that, combined with this, there is also needed some broadening of the basis on which the capital, which is required for the development of this vast continent, is to be provided. These objects will be my chief concern and I shall pursue them with all the more confidence and enthusiasm because of my firm conviction that the financial position of this country is fundamentally sound and that there can be no country in the world which has better security to offer for its loans.

97. Sir, I have only one more word to say. I have expressed in my last sentences the confidence which I feel in the economic foundations of this country. But there is one thing on which those foundations must rest, and that is political stability. I have deliberately refrained from disturbing my account of the economic position up to this point by any extraneous considerations, nor do I wish to appear as preaching to this Assembly on a subject which might be held to be outside my sphere. But I have set myself the task of describing the situation exactly as I see it, and this task I must complete. India till now has had one priceless possession in her

credit with the outside world. I believe, for such reasons as I have to make clear to-day, that the economic advancement of the country depends on the maintenance and use of this credit both within and without. Fears of political disturbance cannot but shake it, and to do this is to endanger the structure on which the material welfare of the millions of this country depends. I pray that this vital consideration may not be forgotten. Having said this, let me close, as I began, on a personal note. Though it is my fate to deal with finance and the production of wealth, I do not, any more than many Honourable Members opposite, place materialistic objects above all other ends in this world. Nevertheless, an adequate measure of material well-being is a necessary condition of happiness in any state. I trust that even those whose thoughts are mainly concentrated on political objectives which may range them at times against the Government of which I am a Member, will not forget this fact, and will find in the economic sphere some common ground on which we can co-operate for the material advancement of the Indian people. Is it too much to hope that such co-operation may have its reactions also in wider spheres? The money with which I have to deal suffers from the material limitation that what is spent is gone, but goodwill is inexhaustible and the more that is expended, the greater will be the supply.

GEORGE SCHUSTER.

The 28th February 1929.

BUDGET FOR 1929-30.

29

Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year.

	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.	31st March 1929.
<i>In India :</i>		(In crores of rupees.)					
Loans (a) . . .	339·83	358·81	370·38	368·29	374·44	372·25	390·61
Treasury Bills in the hands of the public . . .	21·59	2·12	..	..	..	7·59	6·95
Treasury Bills in the Paper Cur- rency Reserve .	49·65	49·65	49·65	49·65	41·47	31·94	39·15
Other Obligations— Post Office Sav- ings Banks . .	23·20	24·79	25·64	27·23	29·51	32·67	34·74
Cash Certificates .	3·13	8·42	13·12	20·96	26·68	30·70	32·30
Provident Funds, etc.	36·17	39·00	42·39	46·36	51·02	55·82	60·42
Depreciation and Reserve Funds .	..	..	9·08	15·45	20·10	25·48	31·85
Provincial Balances (b)	2·86	4·17	4·83	11·87	10·49	10·48	8·09
Total Loans, etc. .	411·07	410·58	420·03	417·94	415·91	411·78	436·71
Total Other Obliga- tions	65·36	76·38	95·06	121·87	137·80	155·15	167·40
Total in India . .	476·43	486·96	515·09	539·81	553·71	566·93	604·11
<i>In England :</i>		(In millions of £.)					
Loans (a) . . .	222·92	244·53	263·39	266·35	265·09	272·32	282·05
War Contribution.	19·71	19·27	18·81	18·32	17·81	17·28	16·72
Capital value of liabilities under- going redemption by way of ter- minable railway annuities . . .	61·31	60·10	58·84	57·53	56·19	54·79	53·35
Provident Funds, etc..	·04	·13	·16	·21	·27	·19	·42
Total in England.	303·98	324·03	341·20	342·41	339·36	344·58	352·54
Equivalent at 1s. 6d. to the Rupee . .	405·31	432·04	454·93	456·55	452·48	459·44	470·05
Total Interest-bear- ing obligations . .	881·74	919·00	970·02	996·36	1,006·19	1,026·37	1,074·16

BUDGET FOR 1929-30.

Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year—contd.

	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.	31st March 1929.
Productive assets held against the above obligations :	(In crores of rupees.)						
(i) Capital advanced to Railways .	517.22	537.02	(d) 578.05	(j) 605.61	635.46	668.60	698.60
(ii) Capital advanced to other Commercial Departments .	19.43	20.07	22.00	17.77	19.16	20.60	21.75
(iii) Capital advanced to Provinces .	87.49	97.36	106.43	114.60	120.17	126.34	136.95
(iv) Capital advanced to Indian States and other interest-bearing loans .	8.90	8.93	10.16	11.44	12.11	13.91	15.43
Total Productive asset.	633.04	663.58	719.64	749.82	786.90	829.45	872.73
Cash, bullion and securities held on Treasury account .	44.80	50.47	57.35	51.96	37.48	24.26	30.57
Balance of total obligations not covered by above assets .	203.90	204.95	196.03	194.58	181.81	172.66	170.86

- (a) These figures represent the nominal amounts of loans outstanding and also include comparatively small amounts of expired loans which do not bear interest.
- (b) The figures represent those portions of provincial balances which bear interest either because they form part of the old Famine Insurance Fund or the present Famine Relief Fund or because they have been placed with the Government of India on fixed deposit.
- (c) Includes the liability assumed by the Secretary of State for East Indian Railway Debenture Stock, aggregating £15½ millions, on the termination of the contract with that Railway on the 1st January 1925. It therefore does not represent any increase in the foreign indebtedness of the country as a whole.
- (d) Includes 27.07 crores on account of the liability referred to in (c) above.
- (e) Includes the liability assumed by the Secretary of State for the Great Indian Peninsula Railway Debenture Stock, aggregating £3½ millions, on the termination of the contract with that Railway on the 1st July 1925. It also last sentence under (c) above.
- (f) Includes 4.88 crores on account of the liability referred to in (e) above.

BUDGET
of the
Governor-General in Council,
as laid before the
Indian Legislature, 1929.

FINANCE DEPARTMENT,
New Delhi, the 28th February 1929.

E. BURDON.
Secretary to the Govt. of India.

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	32—33
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	34—35
A.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	36—39
B.—STATEMENT of the EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	40—43
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	44—55
D.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	56—57
	C

BUDGET FOR 1929-30.

I.—General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	48,21,41,872	50,18,37,000	50,04,18,000	51,21,77,000
Taxes on Income	"	15,06,39,243	16,99,58,000	16,50,10,000	16,59,60,000
Salt	"	6,68,17,979	7,00,08,000	7,04,69,000	6,34,64,000
Opium	"	3,94,52,254	3,47,77,000	3,47,77,000	3,05,67,000
Other Heads	"	2,29,98,792	2,20,10,000	2,19,90,000	2,22,67,000
TOTAL PRINCIPAL HEADS .		76,16,50,110	79,55,90,000	79,86,64,000	79,44,25,000
Railways: Net Receipts (as per Rail- way Budget)		23,67,18,479	25,50,00,000	28,91,00,000	40,55,00,000
Irrigation: Net Receipts	A	9,05,573	12,36,000	11,31,000	13,40,000
Posts and Telegraphs: Net Receipts .	"	31,15,661	57,37,000	32,14,000	57,78,000
Interest Receipts	"	3,61,80,603	2,91,97,000	3,57,55,000	3,45,04,000
Civil Administration	"	99,00,113	1,01,32,000	1,00,79,000	1,12,25,000
Currency and Mint	"	2,77,46,116	2,48,81,000	2,68,44,000	3,05,77,000
Civil Works	"	10,07,006	14,41,000	10,13,000	18,45,000
Miscellaneous	"	32,17,000	81,83,000	88,15,000	65,41,000
Military Receipts	"	1,51,43,100	2,91,12,000	3,06,14,000	3,48,71,000
Provincial Contributions and miscel- laneous adjustments between Central and Provincial Governments	"	6,10,136	...	4,50,000	...
Extraordinary Items	"	2,35,60,37	26,07,000	26,68,000	1,19,60,000
TOTAL REVENUE .		1,27,26,28,301	1,09,64,75,000	1,31,19,67,000	1,34,06,33,000

BUDGET FOR 1929-30.

33

Revenue of the Central Government, in India and in England.

	For details, vide State- ment.	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Expenditure -					
Direct Demands on the Revenue	B	4,18,87,972	4,24,84,000	4,09,23,000	4,29,43,000
Forest and other Capital outlay charged to Revenue	"	12,58,480	6,41,000	5,74,000	7,88,000
Railways ; Interest and Miscellaneous Charges (as per Railway Budget)	"	32,39,65,397	33,03,00,000	33,45,24,000	34,80,33,000
Irrigation	"	17,38,969	23,10,000	21,77,000	22,86,000
Posts and Telegraphs	"	78,73,376	81,66,000	84,11,000	81,20,000
Debt Services	"	15,61,18,557	14,90,61,000	15,03,88,000	15,59,98,000
Civil Administration	"	11,20,77,760	11,69,45,000	11,48,53,000	12,66,74,000
Currency and Mint	"	87,66,714	69,63,000	78,84,000	71,02,000
Civil Works	"	1,58,47,893	1,73,31,000	1,71,24,000	2,59,35,000
Miscellaneous	"	3,75,30,626	4,10,06,000	4,17,44,000	4,06,98,000
Military Services	"	56,38,94,893	58,04,12,000	58,40,44,000	58,58,71,000
Miscellaneous adjustments between the Central and Provincial Govern- ments	"	8,50,431	...	1,08,000	...
Extraordinary Items	"	18,22,444	4,50,000	71,13,000	2,25,000
<hr/>					
TOTAL EXPENDITURE CHARGED TO REVENUE		1,27,20,24,351	1,29,59,00,000	1,31,19,67,000	1,34,06,33,000
SURPLUS . . . . .		...	5,06,000	...	...
<hr/>					
TOTAL		1,27,20,24,351	1,29,64,06,000	1,31,19,67,000	1,34,06,33,000

BUDGET FOR 1929-30.

II.—General Statement of the Receipts and Disbursements of the

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	5,56,000	...	...
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)		21,594	2,03,60,000	83,14,000	2,65,19,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	4,06,87,001	12,86,00,000	27,00,08,000	22,12,02,000
Floating Debt (net incurred) . . . . .	"	..	...	6,67,50,000	...
Unfunded Debt (net incurred)	"	11,56,62,478	11,74,64,000	8,55,21,000	10,23,34,000
Deposits and Advances net)	"	7,90,40,716	7,08,13,000	...	6,58,81,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	4,90,49,579	6,41,30,000	5,95,14,000	5,35,78,000
TOTAL DEBT, DEPOSITS AND ADVANCES.		20,15,48,037	30,14,00,000	40,09,97,000	44,29,90,000
Remittances (net)	C	19,12,102	20,53,000	15,10,000	1,08,000
TOTAL RECEIPTS . . . . .	..	29,34,62,139	10,50,00,000	13,08,31,000	40,00,17,000
Outlay Balance { India . . . . .	...	27,57,77,069	12,73,40,000	9,16,10,000	11,70,00,000
England		1,81,10,001	5,07,11,000	7,54,87,102	7,20,96,402
TOTAL		61,53,00,100	61,00,00,000	60,00,00,000	60,00,00,000

Central Government, in India and in England.

	For details, vide State- ment.	DISBURSEMENTS.			
		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Deficit	C	...	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Capital outlay on Security Printing Press	C	—2,70,514	67,000	—4,46,000	45,000
Construction of State Railways (as per Railway Budget)	"	32,46,42,177	24,00,00,000	26,00,00,000	38,52,67,000
Discharge of Debentures (as per Railway Budget)	"	66,75,260	2,03,80,000	83,14,000	2,65,19,000
Redemption of liabilities involved in the purchase of Railways (as per Railway Budget)	"	...	4,00,00,000	4,00,00,000	...
Construction of Irrigation Works	"	6,761	1,74,000	1,16,000	1,90,000
Capital outlay on Posts and Tele- graphs	"	49,87,947	68,02,000	50,37,000	64,13,000
Capital outlay on Vizagapatam Port	"	29,04,054	47,83,000	32,00,000	40,00,000
Capital outlay on Light-houses and Light-ships . . . . .	"	...	...	...	8,000
Currency Capital outlay	"	12,94,577	17,000	3,02,000	52,000
Initial expenditure on New Capital at Delhi	"	46,57,782	74,18,000	49,72,000	71,68,000
Payment of commuted value of pensions	"	44,26,219	34,86,000	33,43,000	31,17,000
Capital outlay on Bombay Land Scheme	"	20,74,600	2,05,22,000	..	...
TOTAL CAPITAL ACCOUNT DIS- BURSEMENTS		35,06,98,603	34,40,68,000	32,67,86,000	34,51,68,000
Debt, Deposits and Advances—					
Floating Debt (net discharged)	C	1,94,00,000	...	...	24,75,000
Deposits and Advances (net) . . . . .	"	...	...	1,44,91,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		1,94,00,000	...	1,44,91,000	24,75,000
Loans and Advances by the Central Government (net Advances)	C	7,77,44,360	5,16,92,000	12,12,61,000	6,24,28,000
Balances of Provincial Governments (net)	"	4,77,952	13,05,000	1,70,81,000	2,58,11,000
TOTAL DISBURSEMENTS . . . . .	...	44,62,52,035	42,70,65,000	47,05,68,000	44,00,00,000
Closing Balance {	India	9,10,10,089	11,98,78,000	11,73,63,000	11,56,48,089
	England	7,64,67,402	0,01,21,07	7,29,91,402	6,38,68,402
TOTAL . . . . .	...	61,63,40,428	61,00,64,376	66,66,24,401	65,96,76,491

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE.		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	48,21,41,872	...	...	48,21,41,872	50,04,18,000	...	1
II.—Taxes on Income	15,00,73,930	—34,514	—173	15,00,39,243	18,53,23,000	—13,000	2
III.—Salt	6,83,17,979	...	...	6,83,17,979	7,04,69,000	...	3
IV.—Opium	3,94,62,254	...	...	3,94,62,254	3,47,77,000	...	4
V.—Land Revenue	40,91,615	...	...	40,91,615	37,19,000	...	5
VI.—Excise	52,14,829	...	...	52,14,829	45,78,000	...	6
VII.—Stamps	26,50,116	...	...	26,50,116	30,20,000	...	7
VIII.—Forest	24,58,676	...	...	24,58,676	27,00,000	...	8
IX.—Registration	1,56,271	...	...	1,56,271	1,59,000	...	9
X.—Tributes from Indian States	53,97,265	...	...	53,97,265	74,54,000	...	10
TOTAL	76,15,44,527	—34,514	—173	76,15,50,140	79,66,77,000	—13,000	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	19,63,055	...	...	19,63,055	20,58,000	...	12
Deduct—Working Expenses	10,61,291	...	...	10,61,291	9,32,000	...	13
Net Receipts	9,01,764	...	...	9,01,764	11,26,000	...	14
XIV.—Works for which no Capital Accounts are kept	3,805	...	..	3,805	5,000	...	15
TOTAL	9,05,572	...	...	9,05,572	11,31,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts	10,82,71,046	...	...	10,62,71,046	11,23,47,000	...	17
Deduct—Working Expenses	10,46,77,830	6,72,724	2,628	10,53,53,180	10,81,68,000	7,46,000	18
Net Receipts	35,93,216	—6,72,724	—2,626	29,17,866	41,79,000	—7,46,000	19
Indo-European Telegraph Department—Gross Receipts	15,41,945	16,60,962	3,414	34,06,321	16,13,000	13,05,000	20
Deduct—Working Expenses	30,15,953	1,61,911	869	31,78,528	29,53,000	1,88,000	21
Net Receipts	—11,74,008	13,99,051	2,753	2,27,795	—13,39,000	11,20,000	22
TOTAL	24,19,208	7,26,327	126	31,45,661	28,40,000	3,74,000	23
Debt Services—							
XVI.—Interest	95,61,634	2,65,16,621	1,12,347	3,61,90,602	91,38,000	2,66,22,000	24
Carried over	77,44,71,241	2,72,08,434	1,12,300	80,17,91,975	81,17,81,000	2,69,83,000	25

BUDGET FOR 1929-30.

87

Government, in India and in England.

1928-29.			Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (-) as compared with Revised, 1928-29.
Item No.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	50,04,18,000	-14,19,000	51,21,77,000	...	...	51,21,77,000	+1,17,59,000
2	...	18,50,10,000	-42,45,000	18,59,60,000	...	...	18,59,60,000	+8,50,00
3	...	7,64,09,000	+64,61,000	6,34,64,000	...	...	6,34,64,000	-1,30,06,00
4	...	3,47,77,000	...	3,05,87,000	...	...	3,05,87,000	-44,30,00
5	...	37,19,000	-3,58,000	39,21,000	...	...	39,21,000	+2,02,00
6	...	48,78,000	+3,18,000	49,44,000	...	...	49,44,000	+66,00
7	...	80,30,000	+1,68,000	28,68,000	...	...	28,68,000	-1,62,00
8	...	27,00,000	-2,27,000	30,00,000	...	...	30,00,000	+2,40,00
9	...	1,59,000	-5,000	1,59,000	...	...	1,59,000	..
10	...	74,54,000	+79,000	73,65,000	...	...	73,65,000	-89,000
11	...	79,86,04,000	+74,000	79,44,25,000	..	...	79,44,25,000	-1". 0,000
12	...	20,58,000	-63,000	22,65,000	...	...	22,65,000	+2,07,000
13	...	9,39,000	-43,000	9,39,000	...	...	9,39,000	+3,000
14	...	11,26,000	-1,06,000	13,30,000	...	...	13,30,000	+2,10,000
15	...	5,000	+1,000	4,000	...	...	4,000	-1,000
16	...	11,31,000	-1,05,000	13,40,000	...	...	13,40,000	+2,09,000
17	...	11,23,47,000	-15,39,000	11,59,97,000	...	..	11,59,97,000	+36,50,000
18	...	10,89,14,000	-9,92,000	10,94,28,000	7,78,000	...	11,02,06,000	-12,92,000
19	...	34,33,000	-25,31,000	65,69,000	-7,78,000	...	57,91,000	+22,58,000
20	...	29,21,000	-2,30,000	16,04,000	12,94,000	...	28,98,000	-23,000
21	...	21,40,000	+2,38,000	27,68,000	1,60,000	..	29,16,000	+2,44,000
22	...	-2,19,000	+8,000	-11,62,000	11,44,000	...	-14,000	+2,01,000
23	...	32,14,000	-25,23,000	54,07,000	3,00,000	...	57,73,000	+23,50,000
24	...	3,57,55,000	+65,58,000	84,98,000	2,60,66,000	...	3,45,64,000	-11,91,000
25	...	68,87,64,000	+40,04,000	51,00,70,000	2,60,32,000	...	68,61,02,000	-26,62,000

BUDGET FOR 1929-30.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE.		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
Brought forward	Rs. 77,44,71,241	Rs. 2,72,08,434	Rs. 1,12,300	Rs. 80,17,91,975	Rs. 81,17,81,000	Rs. 2,69,83,000	
Civil Administration—							
XVII.—Administration of Justice	3,90,785	...	...	3,90,785	3,70,000	...	1
XVIII.—Jails and Convict Settlements.	4,11,385	...	...	4,11,385	3,42,000	...	2
XIX.—Police	1,93,883	...	...	1,93,883	5,16,000	...	3
XX.—Ports and Pilotage.	...	...	...	...	...	...	...
XX(I).—Light houses and Light ships	28,44,439	...	...	28,44,439	30,70,000	...	4
XXI.—Education	2,13,769	...	...	2,13,769	1,78,000	...	5
XXII.—Medical	4,95,794	...	...	4,95,794	3,78,000	...	6
XXIII.—Public Health	4,79,200	...	...	4,79,200	4,71,000	...	7
XXIV.—Agriculture	18,59,112	...	...	18,59,112	20,89,000	...	8
XXV.—Industries.	20,156	...	...	20,156	35,000	...	9
XXVI.—Miscellaneous Departments	15,53,745	...	...	15,53,745	13,81,000	...	10
XXVI-A.—Indian Stores Department	14,07,285	...	...	14,07,285	12,52,000	...	11
TOTAL	98,69,113	...	...	98,69,113	1,00,79,000	...	12
Currency and Mint—							
XXVII.—Currency	2,33,40,773	10,28,143	5,071	2,43,71,087	2,11,19,000	19,96,000	13
XXVIII.—Mint	89,74,116	13	...	3,07,4129	37,22,000	...	14
TOTAL	2,67,14,889	10,38,156	5,071	2,77,46,116	2,48,41,000	19,98,000	15
Civil Works—							
XXX.—Civil Works	16,06,933	133	...	16,07,066	16,03,000	...	16
Miscellaneous—							
XXXIII.—Receipts of Superannuation	15,93,755	3,79,870	1,842	19,75,467	15,86,000	4,41,000	17
XXXIV.—Stationery and Printing	16,13,788	11,886	47	16,25,721	40,43,000	85,000	18
XXXV.—Miscellaneous	14,32,004	2,12,313	398	16,44,015	17,54,000	9,56,000	19
TOTAL	46,39,547	4,04,009	2,187	52,45,803	73,83,000	14,32,000	20
Military Receipts—							
XXXVI.—Army	41,01,860	28,10,057	6,853	69,18,080	1,79,65,000	31,62,000	21
Effective	16,13,933	20,45,907	8,321	36,67,761	17,54,000	24,37,000	22
Non-Active	57,15,288	40,55,964	11,574	1,08,65,821	1,97,19,000	66,19,000	23
XXXVII.—Marine	14,75,272	...	...	14,75,272	15,35,000	2,000	24
XXXVIII.—Military Engineer Services	5,58,119	...	...	5,58,119	57,69,000	...	25
TOTAL	1,07,78,774	46,53,964	14,574	1,54,49,312	2,70,23,000	66,21,000	26
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	6,10,150	...	...	6,10,150	4,50,000	...	27
Extraordinary Items—							
XL.—Extraordinary Receipts	...	14,10,478	1,134	14,11,913	...	26,68,000	28
XL-A.—Transfer from Revenue Reserve Fund	2,21,48,425	...	...	2,21,48,425	...	...	29
TOTAL	2,21,48,425	14,10,478	1,434	2,35,60,337	...	26,68,000	30
Railway Revenues as per Railway Budget	38,81,98,330	-14,50,504	8,653	38,67,48,479	38,03,66,000	-12,66,000	31

BUDGET FOR 1929-30.

39

Government, in India and in England—*contd.*

1928-29.			Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (-) as compared with Revised, 1928-29.
Item No.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs. ...	Rs. 88,87,84,000	Rs. +40,74,000	Rs. 1,00,70,000	Rs. 2,00,32,000	Rs. ...	Rs. 88,81,02,000	Rs. -26,82,000
1	...	2,70,000	+3,000	3,61,000	...	...	3,61,000	-9,000
2	...	3,42,000	-43,000	3,51,000	...	...	3,51,000	+9,000
3	...	5,16,000	+1,38,000	4,37,000	...	...	4,37,000	-79,000
4	...	20,70,000	+4,30,000	22,90,000	...	...	22,90,000	+2,11,000
5	...	1,78,000	-2,000	1,54,000	...	...	1,54,000	+6,000
6	...	3,78,000	-80,000	3,78,000	...	...	3,78,000	+1,000
7	...	4,71,000	+75,000	4,69,000	...	...	4,69,000	-2,000
8	...	20,88,000	+20,000	24,98,000	...	...	24,98,000	+4,08,000
9	...	35,000	-2,000	24,000	...	...	34,000	-1,000
10	...	13,11,000	-2,21,000	14,27,000	...	...	14,27,000	+46,000
11	...	12,53,000	-1,05,000	17,07,000	...	...	17,07,000	+4,55,000
12	...	1,00,79,000	-53,000	1,12,25,000	...	...	1,12,25,000	+11,46,000
13	...	2,31,15,000	+8,39,000	2,38,25,000	3,10,000	...	2,86,45,000	+35,70,000
14	...	37,29,000	+10,34,000	38,93,000	...	...	35,93,000	+1,83,000
15	...	2,68,44,000	+19,63,000	2,72,17,000	38,00,000	...	3,08,77,000	+37,88,000
16	...	18,03,000	+1,62,000	19,45,000	...	...	19,45,000	+2,42,000
17	...	20,17,000	+79,000	15,99,000	1,05,000	...	19,84,000	-33,000
18	...	40,78,000	+4,18,000	38,98,000	33,000	...	38,31,000	-1,47,000
19	...	27,10,000	+1,80,000	18,77,000	6,72,000	...	26,49,000	-61,000
20	...	58,15,000	+6,33,000	74,74,000	10,70,000	...	58,44,000	-2,71,000
21	...	2,11,47,000	+43,99,000	1,95,04,000	29,44,000	...	2,24,48,000	+13,01,000
22	...	51,91,000	+15,42,000	17,22,000	30,73,000	...	37,95,000	-13,96,000
23	...	2,63,35,000	+62,41,000	2,19,36,000	50,17,000	...	2,69,53,000	-65,000
24	...	15,87,000	-1,70,000	13,62,000	...	...	13,62,000	-1,75,000
25	...	57,69,000	-13,70,000	72,66,000	...	...	72,66,000	+14,97,000
26	...	3,30,44,000	+43,32,000	2,98,54,000	50,17,000	...	3,48,71,000	+12,27,000
27	...	4,50,000	+1,50,000	...	...	...	...	-1,00,000
28	...	26,63,000	+1,000	...	30,00,000	...	0,00,000	+3,32,000
29	89,68,000	...	...	88,08,000	+80,69,000
30	...	20,68,000	+1,000	89,68,000	20,00,000	...	1,18,68,000	+83,01,000
31	...	88,91,00,000	+41,00,000	40,51,40,000	3,80,000	...	40,55,00,000	+1,64,00,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1927-28.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues						
1.—Customs	82,49,346	1,91,220	988	84,41,554	91,89,000	1
2.—Taxes on Income	64,40,694	74,890	358	65,15,942	67,59,000	2
3.—Salt	1,24,93,442	1,56,990	679	1,26,51,111	1,22,59,000	3
4.—Opium	86,59,874	70,657	194	87,30,725	55,78,000	4
5.—Land Revenue	11,59,084	4,800	21	11,63,905	11,78,000	5
6.—Excise	12,40,185	4,388	18	12,44,599	14,55,000	6
7.—Stamps	—30,087	...	...	—30,087	1,24,000	7
8.—Forest	29,03,376	1,92,095	990	31,15,463	38,12,000	8
9.—Registration	26,603	...	...	26,603	30,000	9
TOTAL	4,11,49,707	6,95,010	3,255	4,18,57,972	4,01,78,000	10
Forest and other Capital outlay charged to Revenue						
3A.—Capital outlay on Salt Works	40,518	...	...	40,518	90,000	11
7A.—Capital outlay on Central Stamp Store	5,98,655	...	...	5,98,655	1,85,000	12
8A.—Forest Capital outlay	6,10,307	...	...	6,10,307	2,99,000	13
TOTAL	12,54,460	...	...	12,58,440	5,74,000	14
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	12,02,411	...	...	12,02,411	12,30,000	15
15.—Other Revenue Expenditure	3,02,872	70,268	400	3,73,540	6,05,000	16
TOTAL	15,05,283	70,268	400	15,75,951	18,35,000	17
Irrigation, etc., Capital Account (charged to Revenue)—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues.	1,63,005	...	...	1,63,005	2,15,000	18
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department	55,33,004	...	...	55,33,034	62,00,000	19
Indo-European Telegraph Department	5,12,085	...	...	5,12,085	5,39,000	20
TOTAL	60,45,089	...	...	60,45,089	67,39,000	21
Posts and Telegraphs Capital Account (charged to Revenue)—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	15,77,751	4,467	...	15,77,754	15,22,000	22
Indo-European Telegraph Department	2,45,459	...	7	2,48,983	55,000	23
TOTAL	14,23,213	4,467	7	15,27,667	15,77,000	24
Debt Services—						
19.—Interest on Ordinary Debt	19,59,01,724	17,40,36,409	7,78,754	37,46,10,947	20,96,30,000	25
Debt—Amount chargeable to—						
Railways	15,67,69,658	10,12,54,969	4,97,146	26,75,21,763	17,69,24,000	26
Irrigation	12,02,411	...	...	12,02,411	12,20,000	27
Posts and Telegraphs	69,12,268	...	...	69,12,268	69,97,000	28
Other heads	13,75,280	...	...	13,75,280	19,42,000	29
Provincial Loans Fund	5,46,08,423	...	...	5,46,08,423	5,87,98,000	30
Remainder chargeable to Ordinary Debt	—2,02,66,310	7,36,81,310	2,81,608	5,36,96,808	3,55,56,000	31
20.—Interest on other Obligations	5,18,50,260	1,23,266	217	5,19,73,743	6,30,46,000	32
21.—Reduction or Avoidance of Debt	5,64,13,601	...	...	5,64,13,601	5,38,35,000	33
TOTAL	8,20,36,956	7,39,04,779	2,81,825	15,61,13,557	8,19,28,000	34
Carried over	13,40,13,986	7,45,74,521	2,85,487	20,88,73,344	13,25,84,000	35

BUDGET FOR 1929-30.

41

of the Central Government, in India and in England.

Item No.	ESTIMATE, 1928-29.			Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (-) as compared with Revised, 1928-29.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	2,02,000	...	83,41,000	+4,35,000	97,94,000	1,58,000	...	99,52,000	+6,41,000
2	1,61,000	...	68,47,000	+6,000	71,27,000	1,11,000	...	72,38,000	+2,91,000
3	94,000	...	1,23,93,000	+1,39,000	1,29,66,000	1,05,000	...	1,30,73,000	+6,50,000
4	1,0,000	...	59,73,000	-21,78,000	70,46,000	63,000	...	71,01,000	+11,58,000
5	13,000	...	11,91,000	-7,000	11,46,000	9,000	...	11,55,000	-28,000
6	5,000	...	14,40,000	+1,40,000	16,41,000	5,000	...	16,46,000	+2,08,000
7	...	...	1,24,000	+46,000	87,000	...	...	87,000	-87,000
8	1,72,000	...	34,84,000	-1,43,000	34,36,000	2,04,000	...	36,39,000	+1,45,000
9	...	...	30,000	-1,000	30,000	...	...	30,000	...
10	7,47,000	...	4,19,23,000	-15,61,000	4,32,66,000	6,78,000	...	4,39,43,000	+30,20,000
11	...	...	90,000	-2,06,000	3,25,000	...	...	3,25,000	+2,35,000
12	...	...	1,85,000	+1,65,000	...	...	...	...	-1,65,000
13	...	...	2,99,000	-46,000	4,15,000	45,000	...	4,63,000	+1,64,000
14	...	...	5,74,000	-67,000	7,43,000	45,000	...	7,88,000	+2,14,000
15	...	...	12,20,000	+5,000	12,28,000	...	...	12,28,000	+8,000
16	77,000	...	7,42,000	-21,000	7,01,000	69,000	...	7,70,000	+28,000
17	77,000	...	19,62,000	-16,000	19,29,000	69,000	...	19,98,000	+36,000
18	...	...	2,15,000	-1,17,000	2,06,000	...	...	2,06,000	+82,000
19	...	...	62,90,000	+3,49,000	65,74,000	...	...	65,74,000	+2,84,000
20	...	...	5,99,000	+18,000	5,67,000	...	...	5,67,000	+18,000
21	...	...	68,29,000	+3,67,000	71,31,000	...	...	71,31,000	+3,02,000
22	...	...	15,22,000	-1,78,000	10,00,000	...	...	10,00,000	-5,22,000
23	5,000	...	60,000	+66,000	-10,000	5,000	...	-11,000	-71,000
24	5,000	...	15,83,000	-1,22,000	9,84,000	5,000	...	9,69,000	-5,98,000
25	17,86,77,000	...	38,81,97,000	+1,82,40,000	20,83,74,000	18,14,08,000	...	38,98,42,000	+10,45,000
26	10,36,79,000	...	27,69,03,000	-52,01,000	13,39,45,000	10,68,69,000	...	29,08,44,000	-1,09,41,000
27	...	...	12,20,000	-5,000	12,28,000	...	...	12,28,000	-8,000
28	...	...	69,97,000	-3,13,000	72,99,000	...	...	72,99,000	-3,02,000
29	...	...	19,42,000	+1,17,000	23,30,000	...	...	23,30,000	-3,88,000
30	...	...	5,87,93,000	-13,43,000	6,20,89,000	...	...	6,20,89,000	-32,96,000
31	...	...	...	...	...	...	...	...	...
32	7,45,98,000	...	3,93,42,000	+24,61,000	-4,17,000	7,45,09,000	...	2,60,54,000	-1,32,90,000
33	1,02,000	...	6,34,08,000	+10,24,000	7,23,60,000	2,07,000	...	7,26,67,000	+94,48,000
34	...	...	5,86,38,000	-1,18,000	5,74,79,000	...	...	5,72,79,000	+24,41,000
35	7,50,10,000	...	15,63,68,000	+73,27,000	8,11,23,000	7,45,06,000	...	15,56,28,000	-4,00,000
36	7,58,69,000	...	20,84,73,000	+58,11,000	13,54,45,000	7,56,60,000	...	21,11,07,000	+26,83,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1927-28.				REVISED	
	India.	* England.	Exchange.	Total.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	11,40,12,336	7,15,71,521	2,58,487	20,58,73,344	13,25,84,000	
Civil Administration—						
22.—General Administration	1,35,77,755	30,24,904	15,279	1,72,17,938	1,39,13,000	1
23.—Audit	24,05,597	4,01,047	2,180	88,08,824	83,00,000	2
24.—Administration of Justice	13,72,547	7,502	72	13,90,211	14,40,000	3
25.—Jails and Convict Settlements	34,30,774	74,997	340	34,96,100	34,74,000	4
26.—Police	67,33,436	1,65,420	798	69,99,654	72,02,000	5
27.—Ports and Pilotage	31,63,984	1,39,711	706	33,04,001	29,93,000	6
27 (1).—Light houses and Lightships	23,37,373	4,88,311	3,976	32,29,460	24,04,000	7
28.—Ecclesiastical	1,44,08,840	10,74,811	6,465	1,87,74,479	1,38,41,000	8
29.—Political	22,48,99,878	97,715	308	2,49,68,001	2,59,19,000	9
29-A.—Frontier Watch and Ward	74,74,621	11,13,789	1,315	86,92,735	79,73,000	10
30.—Scientific Departments	47,98,483	64,581	414	48,63,508	44,70,000	11
31.—Education	27,11,032	2,53,257	1,342	9,90,621	28,28,000	12
32.—Medical	13,75,827	93,566	449	16,69,892	18,15,000	13
33.—Public Health	27,46,020	1,50,489	670	28,97,359	28,40,000	14
34.—Agriculture	14,73,334	3,4,377	203	15,07,914	7,00,000	15
35.—Industries	10,10,145	5,992	19	10,16,056	5,34,000	16
36.—Aviation	9,84,515	1,98,494	1,161	11,88,170	10,87,000	17
37.—Miscellaneous Departments	16,46,984	40,248	86	16,90,318	18,11,000	18
37-A.—Indian Stores Department						19
TOTAL	10,35,31,161	85,07,796	38,512	11,20,77,769	10,41,45,000	
Currency and Mint—						
38.—Currency	37,09,066	38,88,469	21,223	71,18,758	35,51,000	20
39.—Mint	15,85,265	62,343	348	16,47,956	26,57,000	21
TOTAL	52,94,331	4,50,812	21,571	57,66,714	61,08,000	22
Civil Works—						
41.—Civil Works	1,57,57,004	8,44,8	381	1,56,47,693	1,70,11,000	23
Miscellaneous—						
41.—Famine Relief and Insurance—						
A.—Famine Relief	890	...	...	899	...	24
41.—Territorial and Political Pensions	27,13,506	1,47,751	896	28,60,956	28,10,000	25
42.—Superannuation Allowances and Pensions	14,71,011	2,31,79,517	1,02,702	2,50,83,250	12,44,000	26
43.—Stationery and Printing	21,10,705	5,18,973	1,513	26,26,191	46,72,000	27
44.—Miscellaneous	51,84,037	1,4,12,224	7,601	66,04,520	59,60,000	28
TOTAL	1,14,50,638	2,54,53,072	1,12,512	3,70,46,222	1,48,92,000	29
Miscellaneous capital expenditure charged to Revenue—						
45-A.—Commuted value of pensions financed from Ordinary Revenue	4,44,404	...	...	4,44,404	6,30,000	30
Military Services—						
46.—Army—						
Effective	35,37,96,451	7,13,56,426	3,39,943	42,56,53,225	36,72,96,000	31
Non-effective	3,34,14,221	4,81,51,59	2,30,342	8,22,35,992	5,47,50,000	32
47.—Marine	28,70,10,072	12,25,67,955	3,70,290	61,04,18,317	40,15,76,000	33
48.—Military Engineer Services	17,07,445	9,16,181	10,914	76,30,140	55,69,000	34
TOTAL	1,46,86,011	3,21,250	384	4,50,08,036	4,42,96,000	35
Contributions and miscellaneous adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments	3,70,431	...	...	3,50,431	1,08,000	36
Extraordinary Items—						
52.—Extraordinary Payments	18,22,484	...	...	18,22,484	1,50,000	37
52-I.—Transfers to Revenue Reserve Fund	1,22,484	...	...	...	29,68,000	38
TOTAL	1,22,484	...	...	18,22,484	31,13,000	39
Railway Expenditure as per Railway Budget	20,65,48,270	11,67,58,551	5,53,570	32,39,55,397	21,52,96,000	40
TOTAL EXPENDITURE CHARGED TO REVENUE	91,62,42,893	25,47,41,755	16,03,603	1,27,26,28,351	94,54,37	41
						42

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

45

of the Central Government, in India and in England—*contd.*

ESTIMATE, 1928-29.				Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Decrease (-) as compared with Revised, 1928-29.
Item No.	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	7,58,59,000	...	20,84,73,000	+58,11,000	13,54,45,000	7,56,00,000	...	21,11,05,000	+26,61,000
1	52,28,000	...	1,91,41,000	-14,00,000	1,45,02,000	70,00,000	...	2,21,02,000	+20,61,000
2	3,88,000	...	96,08,000	-2,88,000	97,00,000	3,07,000	...	1,01,00,000	+4,59,000
3	89,000	...	15,03,000	+57,000	14,16,000	74,000	...	14,90,000	-1,000
4	44,000	...	25,18,000	-3,03,000	41,21,000	4,000	...	41,61,000	+6,48,000
5	1,87,000	...	7,00,000	-1,00,000	74,67,000	1,92,000	...	76,89,000	+2,70,000
6	2,82,000	...	2,80,000	-5,59,000	23,53,000	2,55,000	...	26,08,000	+4,19,000
7	8,78,000	...	33,77,000	-95,000	10,91,000	...	...	10,91,000	-21,000
8	14,00,000	...	1,52,60,000	+3,00,000	28,80,000	8,73,000	...	32,53,000	+3,10,000
9	1,26,000	...	2,80,45,000	+1,87,000	1,40,67,000	13,19,000	...	1,53,76,000	+14,56,000
10	11,60,000	...	91,34,000	-5,60,000	2,73,60,000	1,10,000	...	2,75,00,000	+2,00,000
11	8,000	...	4,00,000	-71,000	81,30,000	13,21,000	...	94,51,000	+3,20,000
12	2,84,000	...	30,62,000	+97,000	22,11,000	80,000	...	22,91,000	+7,00,000
13	1,54,000	...	19,72,000	-0,000	20,49,000	1,18,000	...	21,67,000	+2,50,000
14	1,27,000	...	29,17,000	-1,40,000	47,00,000	1,84,000	...	48,06,000	+1,80,000
15	25,000	...	7,28,000	+2,71,000	2,49,000	45,000	...	45,06,000	+1,88,000
16	37,000	...	5,61,000	-67,000	28,72,000	1,00,000	...	29,72,000	+4,00,000
17	2,10,000	...	1,00,000	-1,18,000	11,81,000	1,19,000	...	12,00,000	+18,72,000
18	44,000	...	18,50,000	-1,18,000	20,95,000	63,000	...	21,58,000	+36,000
19	1,07,00,000	...	11,40,50,000	-20,92,000	11,26,10,000	1,05,80,000	...	12,00,74,000	+1,10,21,000
20	1,51,000	...	4,00,000	-3,31,000	38,00,000	0,74,000	...	48,55,000	+3,50,000
21	2,22,000	...	28,79,000	+7,52,000	21,02,000	85,000	...	22,47,000	-6,20,000
22	12,76,000	...	73,00,000	+4,21,000	60,43,000	10,58,000	...	71,02,000	-2,58,000
23	1,13,000	...	1,71,24,000	-2,07,000	2,58,52,000	88,000	...	2,59,00,000	+8,00,000
24	...	...	...	...	...	...	...	...	...
25	1,10,000	...	20,55,000	-25,000	31,14,000	1,19,000	...	32,33,000	+9,98,000
26	2,37,000	...	2,40,000	+4,12,000	15,70,000	2,29,48,000	...	2,45,24,000	+4,60,000
27	1,28,000	...	55,80,000	-80,000	4,08,000	8,88,000	...	50,68,000	-1,75,000
28	16,40,000	...	70,00,000	+6,00,000	54,00,000	18,35,000	...	72,40,000	+3,67,000
29	2,61,22,000	...	3,11,14,000	+9,00,000	1,43,68,000	2,57,00,000	...	4,00,00,000	+10,01,000
30	...	...	6,30,000	-2,50,000	6,30,000	...	...	6,30,000	...
31	5,05,20,000	...	14,81,00,000	+37,00,000	76,00,42,000	5,57,65,000	...	44,07,07,000	-14,00,000
32	4,92,00,000	...	8,00,00,000	-4,08,000	7,40,70,000	1,00,00,000	...	5,36,71,000	+1,80,000
33	1,00,28,000	...	53,10,00,000	+1,11,000	80,50,12,000	13,53,86,000	...	51,08,70,000	-12,20,000
34	26,08,000	...	8,00,000	-1,22,000	50,00,000	20,00,000	...	82,22,000	+1,75,000
35	3,57,000	...	4,40,43,000	+10,40,000	4,00,57,000	3,14,000	...	4,72,71,000	+26,20,000
36	13,00,000	...	5,40,44,000	+42,32,000	44,72,61,000	13,60,10,000	...	58,58,71,000	+12,37,000
37	...	...	1,00,000	+1,08,000	...	...	...	...	-1,08,000
38	...	...	1,50,000	-3,00,000	2,25,000	...	...	2,25,000	+75,000
39	...	...	2,00,000	+20,00,000	...	...	...	...	-20,00,000
40	...	...	2,00,000	+20,00,000	2,25,000	...	...	2,25,000	-2,00,000
41	11,92,28,000	...	33,45,24,000	+4,24,000	22,19,12,000	13,11,16,000	...	34,30,30,000	+85,04,000
42	36,05,30,000	...	1,31,19,07,000	+1,50,93,000	96,52,87,000	37,53,46,000	...	1,34,06,33,000	+2,88,86,000

BUDGET FOR 1929-30.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A) . . .	1,23,90,38,402	3,34,45,730	1,27,24,84,132
Exchange added to Revenue . . .	1,44,219	...	1,44,219
TOTAL .	1,23,91,82,621	3,34,45,730	1,27,26,28,351
Railway Capital not charged to Revenue—			
As per Railway Budget . . .	21,594	...	21,594
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
New Sterling loan . . .	..	...	...
5½ per cent. Stock . . .	..	15,82,880	...
4½ per cent. Stock . . .	..	9,26,50,324	...
<i>Rupee Debt—</i>			
New Rupee Loan . . .	...	...	...
4½ per cent. Bonds, 1931 . . .	...	...	...
Do. Loans 1955-60 . . .	...	...	...
4 per cent. Loan, 1960-70 . . .	...	...	...
Do 1931-37 . . .	19,53,79,100	...	...
3½ per cent. Loans . . .	11,80,000	...	...
TOTAL .	19,65,59,100	9,12,63,204	20,08,22,304
Floating Debt—			
<i>Treasury Bills—</i>			
Issued to Public . . .	30,37,35,000	.	...
Issued to Paper Currency Reserve . . .	51,71,00,000	6,66,66,667	...
Indi. Bil's . . .	.	.	...
Temporary Loans . . .	5,00,00,000	.	...
TOTAL .	87,08,95,000	6,66,66,667	93,75,61,667
Carried over .	2,30,66,58,315	19,13,75,001	

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

45

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	England.	TOTAL.	India.	England	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,35,33,000	3,84,34,000	1,31,19,67,000	1,30,17,04,000	3,88,34,000	1,34,05,38,000
...
1,27,35,33,000	3,84,34,000	1,31,19,67,000	1,30,17,94,000	3,88,39,000	1,34,06,33,000
..	83,14,000	83,14,000	...	2,65,10,000	2,65,10,000
...
..	16,84,000	...	..	7,02,67,000	...
...	12,30,05,000	...	...	17,40,000	...
...	...	...	...	18,21,000	...
25,98,05,000	...	...	18,00,00,000	...	...
9,03,70,000	...	...	...	...	...
...
16,00,000	..	...	12,00,000	..	...
35,19,75,000	12,47,19,000	47,67,24,000	18,12,00,000	7,38,78,000	25,50,78,000
...
25,38,00,000	...	...	18,00,00,000	...	...
70,11,10,000	...	...	39,15,00,000	..	...
22,50,00,000	9,00,00,000	...	...	...	...
1,18,32,10,000	8,00,00,000	1,26,32,10,000	57,15,30,000	..	57,15,30,000
2,80,87,18,000	25,11,97,000	2,06,45,21,000	2,05,45,21,000	13,02,30,000	

BUDGET FOR 1929-30.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1927-28.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	2,30,66,58,315	19,43,75,601	
Unfunded Debt—			
Deposits of Service Funds	10,22,266	5,09,320	
Post Office Cash Certificates	6,08,55,107		
Savings Bank Deposits	33,43,88,815	—16,01,072	
TOTAL	39,74,72,288	—10,91,752	38,62,80,536
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	1,25,01,181		
Other Funds	3,83,57,719	..	
Road Development Fund	1,47,17,630	..	
Sinking Funds for Central Loans . . . . .	..	..
Other appropriations for Reduction or Avancement of Debt	3,64,30,000	..	
Sinking Fund Investment Account	2,02,62,210	..	
Sinking Funds for loans granted to Local bodies	3,80,418	..	
Gold Standard Reserve . . . . .	..	88,51,35,319	
Paper Currency Reserve . . . . .	..	19,51,82,092	
Deposits of Branch Line Companies	1,59,169	..	
Posts and Telegraphs Depreciation Fund	7,75,778	..	
Provincial Loans Fund	11,01,39,131	..	
Departmental and Judicial Deposits	86,074,133	..	
Advances	1,17,07,500	7,87,178	
Discount Sinking Fund	137,000	..	
Gain or loss on revaluation, sale, transfer, etc. of assets of the Paper Currency Reserve	7,06,4,509	..	
Suspense	58,73,213	—3,91,315	
Exchange on Remittance Accounts	4,58,111	..	
Miscellaneous	7,12,187	1,184,832	
Revenue Reserve Fund . . . . .	..	..
TOTAL	1,58,53,71,912	1,01,41,97,820	2,60,05,69,732
Rails and Depreciation and Reserve Funds as per Railway Budget	13,91,2,151		15,91,62,451
Carried over	1,45,07,58,761	1,28,74,81,675	

* Sterling converted into Rupees at £1 = Rs. 13½.

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,80,87,18,000	25,14,97,000	..	2,05,45,21,000	13,92,36,000	
8,96,000	5,73,000		9,76,000	6,52,000	
1,80,00,000			1,62,00,000		
30,10,49,000	26,21,000		38,41,23,000	6,78,000	
11,56,45,000	31,94,000	11,88,39,000	13,55,99,000	13,30,000	13,69,29,000
16,78,66,000	..		16,83,95,000	..	
10,23,40,000	..		10,06,21,000	..	
6,00,000	..		83,30,000	..	
1,53,69,000	..		1,60,63,000	..	
4,02,31,000	..		1,36,75,000	..	
2,63,76,000	..		..	..
3,96,000	..		4,12,000	..	
..	60,13,20,000		..	12,90,50,000	
..	30,67,44,000		..	33,22,68,000	
5,00,000	..		5,00,000	..	
39,94,000	..		42,94,000	..	
18,42,99,000	..		30,36,35,000	..	
95,51,04,000	..		90,86,60,000	..	
29,74,83,000	3,18,000		21,07,08,000	1,04,000	
17,88,000	..		29,27,000	..	
2,63,91,000	5,35,000		4,51,00,000	5,43,000	
2,81,000	1,55,12,000		2,00,000	1,52,11,000	
29,63,000	..		..	..
1,82,60,87,000	92,4,29,000	2,75,25,16,000	1,81,35,26,000	77,71,82,000	2,59,07,08,000
15,15,14,000	..	15,45,14,000	15,85,73,000	..	15,85,73,000
5,049,64,000	1,18,11,20,000		4,46,22,22,000	91,77,48,000	

C.— Statement of Receipts and Disbursements of the

	ACCOUNTS, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,45,07,58,976	1,28,74,81,675	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund . . . . .	...	...
Other Loans and Advances	1,08,06,655	...	
TOTAL	1,08,06,655	...	1,08,06,655
Remittances—			
Remittances within India—			
Inland Money Orders	96,51,73,536	...	
Other Local Remittances . . . . .	...	...
Other Departmental Accounts	6,02,444	...	
Net Receipts by Civil Treasuries from—			
Railways	3,83,57,533	..	
Posts and Telegraphs	3,96,83,848	...	
Net Receipts from Civil Treasuries by—			
Army, Marine and Military Engineer Services	39,72,72,046	..	
Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	1,11,45,000	
Sale of Silver . . . . .	...	1,43,83,975	
Other transactions	2,58,46,801	4,96,51,416	
Remittances from India for financing Home Treasury . . . . .	...	37,76,66,667	
Transfers through the Paper Currency Reserve	3,77,16,224	7,42,98,515	
TOTAL	1,50,11,51,932	52,61,38,573	2,03,74,90,505
Balances of Provincial Governments	3,22,37,581	...	3,22,37,581
TOTAL RECEIPTS	5,90,74,55,144	1,81,37,20,248	
Opening Balance	27,77,75,069	(a) 4,31,13,304	
GRAND TOTAL	6,27,67,30,213	1,85,67,38,552	

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

49

Central Government, in India and in England—*cont'd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,20,49,64,000	1,18,11,20,000		4,46,22,22,000	91,77,48,000	
...	...				
86,74,000	...		7,00,93,000 85,39,000	.. ...
86,74,000	...	86,74,000	7,86,33,000	...	7,86,33,000
98,25,00,000	...		98,85,00,000	..	
2,63,000	...		2,18,000	...	
3,43,56,000	...		3,40,58,000	...	
4,21,12,000	..		5,90,96,000	...	
1,63,19,000	...		9,98,000	...	
38,50,80,000	...		38,19,59,000	...	
...	98,00,000		...	80,00,000	
...	3,31,18,000		...	26,84,000	
1,26,09,000	3,10,56,000		1,00,44,000	3,00,61,000	
...	39,00,00,000		...	47,00,00,000	
4,33,18,000	...		26,65,000	...	
51,96,37,000	46,98,51,000	1,98,94,91,000	1,41,64,41,000	51,07,34,000	2,00,71,78,000
2,26,46,000	...	2,26,46,000	94,8000	.	94,80,000
6,75,59,21,000	1,65,09,71,000		6,04,17,90,000	1,42,84,80,000	
9,16,10,089	(b) 7,54,87,102		11,73,30,000	(b) 7,24,01,412	
6,84,75,31,089	1,72,61,14,402		6,16,41,62,089	1,50,14,78,402	

A. Of this amount Rs. 498 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of th

	Accounts, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	91,62,82,893	35,17,41,855	1,27,10,24,748
Exchange charged as Expenditure	16,03,403	...	18,03,603
TOTAL	91,78,86,496	35,17,41,855	1,27,26,28,351
Irrigation, Posts and Tele- graphs and other Capital not charged to Revenue—			
CAPITAL OUTLAY ON SECURITY PRINTING PRESSES	—9,76,514	...	—9,76,514
CONSTRUCTION OF IRRIGATION WORKS	6,751	..	6,751
CAPITAL OUTLAY ON POSTS AND TELE- GRAPHS	33,14,984	13,73,013	46,87,947
CAPITAL OUTLAY ON VIZAGAPATAM PORT	27,56,731	1,48,223	29,04,954
CAPITAL OUTLAY OF LIGHT-HOUSES AND LIGHT SHIPS	..	..	...
CURRENCY CAPITAL OUTLAY	8,15,755	1,48,822	12,94,577
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	10,85,594	5,72,138	46,57,732
PAYMENT OF COMMUTED VALUE OF PENSIONS	11,26,219	...	11,26,219
CAPITAL OUTLAY ON BOMBAY LAND SCHEME	20,74,500	...	20,74,500
TOTAL	1,65,33,970	25,12,195	1,90,76,166
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	18,62,58,119	14,52,62,318	33,15,20,437
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
7 p. c. Stock	...	13,520	
State Railway annuities	...	1,85,85,572	
Do. Do. Sinking Funds	...	26,66,667	
Redemption of liabilities assumed in res- pect of British War Loan (1929-47)	..	71,46,132	
<i>Rupee Debt—</i>			
6 p. c. Bonds, 1926	15,23,700	...	
Do. Do. 1927	17,38,22,700	...	
Other 6 p. c. Bonds	...	...
5½ p. c. War Bonds, 1925	1,12,25,700	...	
Other 5½ p. c. War Bonds	1,81,275	..	
4 p. c. Terminable Loan	33,700	...	
Other Loans	13,80,354	...	
TOTAL	21,84,70,129	2,84,63,891	24,69,34,320
Carried over	1,33,91,49,014	53,10,10,260	

BUDGET FOR 1929-30.

51

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
94,54,37,000	36,65,30,000	1,31,19,67,000	96,52,87,000	37,53,44,000	1,31,06,38,000
...
94,54,37,000	36,65,30,000	1,31,19,67,000	96,52,87,000	37,53,44,000	1,34,06,33,000
-4,48,000	...	-1,14,000	45,000	..	45,000
1,16,000	...	1,16,000	1,94,000	..	1,94,000
48,75,000	10,62,000	59,37,000	51,74,000	13,34,000	65,18,000
28,91,000	3,09,000	32,00,000	39,44,000	56,000	40,00,000
...	...	...	8,000	..	8,000
2,53,000	49,000	3,02,000	12,000	40,000	52,000
41,14,000	5,28,000	46,72,000	65,76,000	5,90,000	71,66,000
33,43,000	...	33,43,000	31,17,000	..	31,17,000
...
1,54,74,000	19,48,000	1,74,22,000	1,83,50,000	20,20,000	2,14,00,000
16,00,00,000	14,83,14,000	30,83,14,000	16,50,00,000	19,67,88,000	36,17,88,000
...	22,000	...	...	..	...
...	1,92,29,000	...	...	1,68,95,000	...
...	26,67,000	...	...	26,67,000	...
...	75,22,000	...	...	78,94,000	...
6,00,000	..	...	2,00,000	...	...
14,00,000	...	...	5,00,000	...	...
...
16,41,32,000	...	...	10,00,000	..	...
3,20,000	...	...	2,90,000	...	...
50,000	...	...	30,000	..	...
18,74,000	..	...	14,00,000	..	...
16,83,76,000	2,91,40,000	19,78,16,000	34,20,000	3,04,56,000	3,88,76,000
1,28,92,87,000	54,62,32,000	...	1,15,30,87,000	60,46,08,000	...

BUDGET FOR 1929-30.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,33,91,49,014	53,10,10,260	
Floating Debt—			
Treasury Bills—			
Issued to Public	22,78,75,000	...	
Do. Paper Currency Reserve	61,24,80,000	...	
India Bills	...	6,66,66,667	
Temporary Loans	5,00,00,000	...	
TOTAL	89,08,55,000	6,66,66,667	95,70,21,667
Unfunded Debt—			
Special Loans	16,185	...	
Deposits of Service Funds	13,96,123	37,237	
Post Office Cash Certificates	2,06,47,812	...	
Savings Bank Deposits	25,43,96,866	16,805	
TOTAL	27,64,56,996	54,042	27,65,11,038
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	16,65,02,225	...	
Other Funds	9,84,30,074	...	
Road-Development Fund	...	...
Sinking Fund Investment Account	2,73,82,073	...	
Gold Standard Reserve	...	88,30,84,048	
Paper Currency Reserve	...	19,56,82,092	
Deposits of Branch Line Companies	5,88,548	...	
Posts and Telegraphs Depreciation Fund	2,70,875	...	
Provincial Loans Fund	14,01,40,423	...	
Departmental and Judicial Deposits	86,83,61,772	...	
Advances	15,51,85,837	3,90,932	
Discount Sinking Fund	1,07,45,861	...	
Gain or loss on revolution, sale, transfer, etc. of assets of the Paper Currency Reserve	...	...
Suspense	1,59,19,359	3,56,246	
Miscellaneous	32,56,413	1,50,47,829	
Revenue Reserve Fund	2,21,48,125	...	
TOTAL	1,50,49,31,905	1,09,45,91,147	2,60,35,23,052
Railway Depreciation and Reserve Funds as per Railway Budget	10,95,12,572	...	10,95,12,572
Carried over	4,12,44,06,187	1,69,23,22,116	

BUDGET FOR 1929-30.

53

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,28,92,87,000	54,62,32,000		1,15,30,87,000	60,46,08,000	
20,02,00,000	..		18,94,75,000	...	
63,22,60,000	..		39,15,30,000	...	
...	8,00,00,000		...	...
22,50,00,000	..		...	...
1,11,71,60,000	8,00,00,000	1,19,74,60,000	58,10,05,000	...	58,10,05,000
32,000	...		18,000	...	
14,38,000	47,000		11,71,000	54,600	
3,26,00,000	...		14,02,00,000	...	
29,88,97,000	...		29,28,14,000	...	
33,20,67,000	47,000	33,30,14,000	33,45,41,000	54,000	33,45,65,000
17,22,32,000	...		17,02,94,000	...	
10,30,40,000	...		10,21,21,000	...	
...	...		40,00,000	...	
4,17,45,000	...		1,60,63,000	...	
...	60,13,20,000		...	42,90,56,000	
...	30,87,44,000		...	33,22,68,000	
6,00,000	...		5,00,000	...	
1,27,000	...		2,22,000	...	
18,42,18,000	...		30,35,03,000	...	
14,22,00,000	...		90,81,59,000	...	
29,90,44,000	2,61,000		20,86,72,000	1,04,000	
1,19,29,000	..		...	...
3,20,47,000	...		23,00,000	...	
5,07,51,000	5,36,000		2,28,19,000	5,36,000	
7,18,000	1,56,95,000		...	1,52,11,000	
...	...		80,80,000	...	
1,84,04,51,000	92,65,56,000	2,76,70,07,000	1,74,76,52,000	77,71,75,000	2,52,48,27,000
9,50,00,000	...	9,50,00,000	10,50,00,000	...	10,50,00,000
4,67,51,65,000	1,55,28,35,000		3,92,12,85,000	1,38,18,37,000	

BUDGET FOR 1929-30.

C.—Statement of Receipts and Disbursements of the

ACCOUNTS, 1927-28.			
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,12,44,05,467	1,69,23,22,116	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	6,16,99,000	...	
Other Loans and Advances	2,63,56,035	...	
TOTAL	8,80,55,035	...	8,80,55,035
Remittances—			
Remittances within India—			
Inland Money Orders	16,74,35,226	...	
Other Local Remittances	1,74,819	...	
Other Departmental Accounts	2,623	...	
Net Payments into Civil Treasuries by—			
Railways	3,55,87,718	...	
Posts and Telegraphs	3,96,84,857	...	
Net Issues from Civil Treasuries to—			
Army Marine and Military Engineer Services	39,77,98,546	...	
Remittances between England and India—			
Remittance Account—			
Irreg drawings	1,10,45,000	1,00,000	
Sale of Silver	1,43,83,975	...	
Other transactions	5,45,01,656	1,83,92,277	
Remittances from India for financing Home Treasury	37,76,66,667	...	
Transfers through the Paper Currency Reserve	7,42,68,515	3,77,16,224	
TOTAL	1,97,26,59,002	5,62,06,501	2,02,88,66,103
Balances of Provincial Governments	...	3,27,15,533	3,27,15,533
TOTAL DISBURSEMENTS	6,18,51,20,124	1,78,12,46,150	
Closing Balance	9,16,10,069	(b) 7,54,87,402	
GRAND TOTAL	6,27,67,30,213	1,85,67,33,552	

* Sterling converted into Rupees at £1 = Rs. 13½.

(b) Of this amount, £4,028 represents the

BUDGET FOR 1929-30.

55

Central Government, in India and in England—*concl'd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,67,51,65,000	1,55,28,35,000		3,92,12,85,000	1,38,14,37,000	
10,60,68,000	...		11,03,84,000	..	
2,38,37,000	...		2,46,60,000	..	
12,99,35,000	..	12,99,35,000	14,10,63,000	..	14,10,63,000
98,09,00,000	...		99,83,50,000	..	
2,85,000	...		2,79,000	...	
3,44,14,000	...		3,40,39,000	..	
4,21,12,000	...		5,90,99,000	..	
1,63,49,000	...		92,08,000	..	
38,80,80,000	...		38,19,59,000	...	
98,00,000	...		80,00,000	..	
3,33,68,000	...		26,68,000	...	
2,97,60,000	1,95,35,000		2,24,34,000	1,82,76,000	
39,00,00,000	..		47,00,00,000	...	
...	4,33,68,000		...	24,68,000	
1,92,50,68,000	6,29,03,000	1,98,79,71,000	1,98,61,26,000	2,09,44,000	2,00,70,70,000
...	3,77,27,000	3,77,27,000	...	3,53,09,000	3,53,09,000
6,73,01,68,000	1,65,31,65,000		6,04,84,74,000	1,43,80,00,000	
11,73,63,089	(b) 7,29,96,402		11,56,88,089	(b) 6,33,88,402	
6,84,75,31,089	1,72,64,61,402		6,16,41,62,089	1,50,14,78,402	

funds of the Gold Standard Reserve.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England.

Revenue and Expenditure.	ACCOUNTS, 1927-28.		REVISED ESTIMATE, 1928-29.		BUDGET ESTIMATE, 1929-30.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rf.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	47,86,60,838	.	49,10,77,000	...	50,21,85,000	...
Taxes on Income	14,40,83,134	..	15,80,68,000	...	15,87,22,000	...
Salt	5,37,66,868	...	6,40,76,000	...	5,08,91,000	...
Opium	3,07,51,129	.	2,58,04,000	..	2,31,58,000	..
Other Heads	1,77,00,369		1,57,21,000	...	1,57,18,000	...
TOTAL	71,96,62,168	...	75,77,41,000	..	75,04,82,000	...
Forest and other Capital Outlay charged to Revenue						
	..	12,58,400	...	5,74,000	..	7,58,000
Irrigation						
		8,73,887	.	10,40,000	...	8,28,000
Railways						
	6,27,43,052	..	5,43,76,000	...	6,24,72,000	...
Posts and Telegraphs						
	...	47,27,715	...	51,97,000	..	28,47,000
Debt Services						
		11,69,22,985	..	12,06,38,000	..	12,11,24,000
Civil Administration						
	...	10,22,65,686	...	10,47,74,000	...	11,34,40,000
Currency and Mint						
	1,80,70,102	...	1,94,00,000	...	2,34,75,000	...
Civil Works						
		1,47,40,007	.	1,55,21,000	.	2,40,90,000
Miscellaneous						
		3,22,94,523	..	3,29,29,000	...	3,21,19,000
Military Services						
		54,79,47,551	..	55,10,00,000	...	55,10,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments.						
	2,59,699	.	3,42,000	..	...	..
Extraordinary Items						
	2,17,37,853	...	..	4,45,000	1,17,44,000	...
TOTAL	97,34,52,204	52,34,22,404	83,21,19,000	83,21,19,000	84,81,73,000	84,81,73,000

BUDGET FOR 1929-30.

57

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concl'd.*

Revenue and Expenditure.	ACCOUNTS, 1927-28.		REVISED ESTIMATE, 1928-29.		BUDGET ESTIMATE, 1929-30.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus. . . . .	...	...	...	...	...	...
Capital Account—						
Capital outlay on Security Printing Press . . . . .	...	—9,76,514	..	—4,48,000	...	45,000
Railway Capital not charged to Revenue . . . . .	...	3,14,98,813	..	30,00,00,000	...	38,52,67,000
Construction of Irrigation Works . . . . .	...	6,751	...	1,16,000	...	1,99,000
Capital outlay on Posts and Telegraphs . . . . .	..	19,87,947	.	59,37,000	..	68,18,000
Capital outlay on Vizagapatam Port . . . . .	...	29,04,954	.	33,00,000	...	40,00,000
Capital outlay on Light houses and Light ships . . . . .	...	...	..	...	...	8,000
Currency Capital outlay . . . . .	...	12,94,577	...	3,02,000	..	53,000
Initial expenditure on New Capital at Delhi . . . . .	...	16,57,732	.	49,72,000		71,68,000
Payment of commuted value of pensions . . . . .	..	44,36,219	...	33,43,000	..	81,17,000
Capital Outlay on Bombay Land Scheme . . . . .	...	20,74,500	...	.	..	...
Debt, Deposits, Advances and Remittances—						
Permanent Debt	4,38,87,964	...	27,68,08,000	...	22,12,02,000	...
Floating Debt . . . . .	..	1,94,00,000	6,57,50,000	...	.	94,75,000
Unfunded Debt	11,86,68,475	...	8,58,55,000	..	10,23,34,000	...
Deposits and Advances	12,89,96,595	...	4,50,48,000	...	11,94,54,000	...
Loans and Advances by Central Government . . . . .	...	7,77,18,880	...	12,12,61,000	...	6,34,28,000
Remittances	19,22,402	.	15,20,000	...	1,08,000	...
Balances of Provincial Governments		4,77,952	...	1,50,81,000	...	2,58,11,000
Opening Balance	32,18,88,373		16,70,07,491	.	19,03,59,491	...
Closing Balance . . . . .	..	16,70,07,491	.	19,03,59,491	...	17,90,76,491
TOTAL	61,53,58,632	61,53,78,632	64,41,23,491	64,41,23,491	63,34,57,491	63,34,57,491

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY 1929.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit.

WHEREAS it is expedient to fix the duty on salt manufactured in or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax and to raise the import and excise duties on motor spirit; It is hereby enacted as follows :—

Short title, extent and duration. 1. (1) This Act may be called the Indian Finance Act, 1928.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 3 shall remain in force only up to the 31st day of March 1930.

of 1892. 2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April 1929, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

of 1898. 3. With effect from the 1st day of April 1929, the schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

of 1923. 4. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, Amendment of Act X for the figures "1929" the figures "1930" shall be substituted.

Income-tax and super-tax. 5. (1) Income-tax for the year beginning on the 1st day of April 1929, shall be charged at the rates specified in Part I of the Second Schedule.

of 1922. (2) The rates of super-tax for the year beginning on the 1st day of April 1929, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule.

of 1922. (3) For the purposes of the Second Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

6. (1) In Schedule II of the Indian Tariff Act, 1894, in Item No. 40A,
 Duties on motor spirit. for the words "Four annas" in the entry in the **VIII of 18**
 fourth column, the words "Six annas" shall be
 substituted.

(2) In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, **II of 191**
 for the words "four annas" the words "six annas" shall be substituted.

It is hereby declared that it is expedient in the public interest that the
 provisions of clause 6 of this Bill should have temporary effect under the
 provisions of the Provisional Collection of Taxes Act, 1918. **XVI of 19**

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 3.]

"THE FIRST SCHEDULE.**INLAND POSTAGE RATES.**

[See section 7.]

Letters.

For a weight not exceeding two and a half tolas	One anna.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna.

Postcards.

Single	Half an anna.
Reply	One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.
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Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas."

SCHEDULE II.

[See section 5.]

PART I.*Rates of Income Tax.*

A. In the case of every individual, Hindu, Muslim, or other, an unregistered firm and other association of individuals not being a registered firm or a company—	Rate.
(1) When the total income is less than Rs. 2,000	Nil.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000	Five pias in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pias in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pias in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000	One anna and three pias in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pias in the rupee.
B. In the case of every company and registered firm, whatever its total income.	One anna and six pias in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over fifty thousand rupees of total income:—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess	<i>Nil.</i>
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the second fifty thousand rupees of such excess.	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess	Six annas in the rupee.

* STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to continue certain provisions of the Indian Finance Act, 1928, which would otherwise cease to have effect from the 1st April 1929, and to raise the import and excise duties on motor spirit.

2. Clauses 2, 3 and 5 provide for the continuance of the rates of salt duty, postage, income-tax and super-tax prescribed by the Indian Finance Act, 1928, while clause 4 provides for the credit to revenue for a further period of one year, i.e., till the 31st March 1930, of interest on securities forming part of the Paper Currency Reserve.

3. Clause 6 gives effect to one of the main recommendations of the Indian Road Development Committee. The increase in the import and excise duties on motor spirit from 4 annas to 6 annas a gallon is expected to yield an additional revenue of Rs. 6 lakhs in 1928-29, and of about Rs. 83 lakhs in 1929-30, on the assumption that it will not effect consumption. It is proposed that such sums should be charged to revenue, in the years in which they accrue, by *per contra* credit to a "Road Development Fund" from which disbursements will be made from time to time for expenditure on road development in accordance with the Committee's recommendations.

The 28th February 1929.

GEORGE SCHUSTER.

Speech of the Financial Secretary in the Council of State on the 28th February 1929.

THE HONOURABLE MR. E. BURDON (Finance Secretary): Sir, I rise to present the Budget Statement for the coming financial year. In a short time Honourable Members will receive, as usual, a complete set of the printed Budget papers, including the Budget Statement proper, which sets forth the figures in detail under each account head, a copy of the Financial Secretary's Memorandum explanatory of the details of the Budget Statement, and a copy also of the inaugural Budget speech which the Honourable Sir George Schuster, the recently appointed Finance Member, is now making in another place. Honourable Members will find that the Finance Member's speech comprises this year an extensive review of the general position of the finances of the Central Government, but in my own presentation of the Budget Statement, I propose to confine myself in the main to the course of the revenue and expenditure of the current and ensuing years, and to a brief account of our principal Ways and Means operations. I do not think I should be doing the Council any real service—it would indeed be supererogation—if I were to repeat here the analysis which will be found in the Honourable the Finance Member's speech of other aspects of our financial administration which, while they are of great importance and of engrossing interest, are extraneous to the actual Budget of 1929-30. I am sure that Honourable Members of this Council will find it more convenient to study this at their leisure in print.

ACTUAL OUTCOME OF 1927-28.

To make my narrative clear from the commencement, I must first correct the starting point of the year which is now expiring, by translating the revised estimate of 1927-28 into the now ascertained figures of actual revenue and expenditure for that year.

The revised estimates for 1927-28 provided for a total revenue of 1,27.74 crores and a total expenditure of the same amount, the revenue estimate including an appropriation of 1.69 lakhs from the Revenue Reserve Fund, which stood at 2.96 lakhs at the beginning of the year. The final figures show a total expenditure of 1,27.26 crores, and, in order to balance the revenue account, it was necessary to increase the appropriation from the Revenue Reserve Fund from 1.69 lakhs, as originally estimated, to 2.22 lakhs. The deterioration in the revenue position as forecasted a year ago has thus amounted to 53 lakhs, which is mainly accounted for by a throw-forward of 40 lakhs representing Land Customs collections at Viramgam from 1927-28 to the current year.

This reduces the balance now at credit of the Revenue Reserve Fund to 74 lakhs.

This brings me at once to the review of the year 1928-29. As regards this, I think I can most fairly describe general conditions in the financial year which is now drawing to a close by saying that they have been chequered, but that it would be a mistake to assess the general position by looking only to the black squares on the chess board and to say that, viewed as a whole, it gives ground for serious dissatisfaction. During the months of June to September the monsoon was on the whole fairly active except in parts of

Northern India where the rains failed, and in the same area the recent exceptional cold and frost have caused serious damage to crops in certain localities. It is difficult as yet to estimate how far these troubles will have any general effect on the balance of trade and the Ways and Means position. But the adverse factors certainly give ground for caution in making revenue forecasts. The year was also disturbed by prolonged strikes in various parts of the country, particularly in the cotton mill industry of Bombay.

In spite of all this, the trade statistics so far available are, on the whole, encouraging. The visible balance of trade, including private imports of treasure, for the nine months ended the 31st December 1928 was in favour of India by 39·77 crores against 33·07 crores in 1927 and 22·55 crores in 1926. Exports of Indian merchandise show an improvement of over 10 crores as compared with 1927.

The imports as a whole show a fall of about a crore—the result of a drop in cotton and cotton-yarn and manufactures counterbalanced to a large extent by a rise in the imports of grain, machinery and vehicles. The two items last mentioned are particularly interesting. Imports of machinery show a rise of about 16 per cent. for which the recent abolition of duty is, no doubt, largely responsible. The number of motor cars and commercial motor vehicles, which came into the country during the nine months, also shows an improvement of as much as 38 per cent. although the amount of duty collected is still slightly less than the figure for 1926. We may permit ourselves to hope that the leeway will be made up and that our Customs revenue will soon begin to benefit more largely from this source. Prices in general continued throughout the period to remain fairly stable.

Money conditions have at times been difficult and in the last few weeks have been affected by world conditions which themselves have been largely governed by the situation in the United States. The volume of speculation there has tended to force up rates for money in all countries which have an important share in international trade, and this is the root cause to which the recent rise in the bank rate of the Imperial Bank to 8 per cent. must be attributed. I do not propose to enter into any detailed examination of this subject now, but I would call attention to one point which seems to have escaped the attention of those who have criticised this action. As the Honourable the Finance Member observed the other day in answering a question in the Legislative Assembly, it has been said that it was normally understood that the rate would not rise to 8 per cent. until expansion of currency against commercial bills had reached its full limit of 12 crores, and that in the recent case the rate was raised after only 9 crores of expansion had taken place. It must, however, be borne in mind that this year Government had expanded currency to the extent of 1 crore against sterling and 1 crore against created securities, and that there had been a further expansion of 2·4 crores against imported gold, so that the total expansion had really been well over 13 crores.

REVENUE.

To turn to the revenue receipts of the year, the net Customs receipts were originally taken at 50·18 crores, and the revised estimate is now put at 20 lakhs less. Larger imports of sugar have increased the receipts by 70 lakhs, while the land customs collections show an improvement of 70 lakhs, including the 40 lakhs thrown forward from last year. These gains are more than counterbalanced by deficiencies under a number of other heads.

BUDGET FOR 1929-30.

The revised estimate under Taxes on Income has been taken at 16½ crores against the Budget figure of 17 crores. The reduction is mainly accounted for by certain large refunds which have had to be made as a result of legal decisions.

Owing to unexpected and considerable speculation at Sambhar, the estimate of Salt revenue, which was originally taken at 7 crores, will probably be exceeded by about 65 lakhs in the current year. But as it does not seem safe to calculate on an average revenue of more than 7 crores, the extra 65 lakhs, which we expect to collect in the current year, must be treated as being gained at the expense of next year. This unexpected factor seriously disturbs the distribution of revenue as between the current year and next year, and I shall have to refer to this point again.

The only other item which needs comment is that of Interest receipts which shows an improvement of as much as 66 lakhs, but this should really be set against a more or less corresponding increase in Interest payments to which I shall presently refer.

EXPENDITURE.

I now turn to the Expenditure side of the account. The gross payments on account of Interest on Ordinary Debt have exceeded the Budget figure by 1,33 lakhs as a result mainly of larger borrowing operations and a small increase in our borrowing rate. But the net payments, after deducting recoveries from the Commercial Departments and the Provincial Loans Fund, show a deterioration of 65 lakhs only which, as I have already stated, is covered by the increase in Interest receipts. I must take this opportunity of explaining to the House that the net payments would have been considerably larger but for a change which has been introduced this year in the method of calculating the interest chargeable to Commercial Departments in respect of Capital outlay incurred after the 31st March, 1917, whereby these departments are required to share the loss which the general revenues suffer through the tax-free concession attached to certain portions of our rupee debt. This alteration has increased the recoveries from the Railways to the extent of 59 lakhs under this head, although it has had the simultaneous effect of reducing the Railway contribution otherwise receivable by about 20 lakhs. The former method of calculation was really erroneous as it meant that Government did not actually recover from the Commercial Departments the interest which they were in effect themselves paying.

Under other heads the only important variations from the original estimate are a saving of 22 lakhs in Opium expenditure, which has resulted from short deliveries and poorer outturn, and another of 21 lakhs under Civil Administration, which includes 7 lakhs on account of a carry-forward of the expenditure on the India House to next year.

Departmental transactions are the next item of importance. As the House is already aware, the Railway contribution is now estimated at 5.46 crores, which is only a little less than the Budget figure of 5.48 crores. The present estimate includes 23 lakhs, being one-third of the excess over 3 crores available for transfer to the Railway Reserve Fund.

The working of the Indian Posts and Telegraphs Department is now expected to show a loss of 29 lakhs, which is very disappointing considering that a year ago it was expected that a surplus of a few thousands would accrue. The deterioration is mainly accounted for by the facts that the reduction in the rate for foreign telegrams has not been counterbalanced by a corresponding growth in traffic, and that the effect of the numerous

- revisions of pay and other concessions granted to the staff in recent years has been rather more onerous than we expected. The working of the Indo-European Telegraph Department does not show any appreciable variation on the whole and will involve a loss of about 7½ lakhs.

The net Military expenditure has been taken at 55.10 crores as in the original Budget. The net result of the variations is a betterness of 25 lakhs. We thus expect to close the accounts for 1928-29 with a surplus of 30 lakhs, instead of 5 lakhs previously estimated, and it is proposed that this sum should be credited to the Revenue Reserve Fund, the balance to the credit of which will then stand at 1.04 lakhs.

BUDGET ESTIMATES FOR 1929-30.

I now take the Budget estimates for 1929-30. I must commence my detailed account of these with certain preliminary explanations. For a proper understanding of the present position one must go back to the remission of the provincial contributions which really became effective from the beginning of 1927-28, and one must consider the three years 1927-28, 1928-29 and 1929-30 together.

The picture may be put in this way. As Honourable Members will recollect, the actual result for the year 1926-27 showed a surplus amounting to 2.96 lakhs, and on the strength of this it was decided to remit (provisionally in the first place) the whole of the remaining provincial contributions, amounting to 2.58 lakhs per annum. It was recognised that, if Government gave up this permanent revenue, there might at the outset be a deficit. But the intention was that the surplus of 2.96 lakhs in 1926-27, which was transferred to a special Revenue Reserve Fund, would provide a sufficient sum to bridge the gap until the normal growth of revenue had built up receipts to the requisite level. It was thought that the gap would not continue for more than one year, and that by 1928-29 equilibrium would have been attained. On the actual results of 1928-29 it might be said that this expectation has been fulfilled; but a close analysis of these figures will show that this is not really the case. In fact, the revenue for 1928-29 has been fortuitously increased at the expense both of 1927-28 and of 1929-30. As I have already explained, it so happened that 40 lakhs of Customs receipts which ought to have come in 1927-28 were actually only received after the close of that year and were thus credited to 1928-29. Further, as I have also already explained, owing to speculation in Salt the revenue from that source for 1928-29 is likely to receive 65 lakhs which properly belongs to the revenue for 1929-30. If therefore the true nature of the results for 1928-29 is revealed, it will be seen that, after eliminating these two exceptional items totalling 1.05 lakhs, the year would have closed not with a surplus of 30 lakhs as our revised estimates show, but with a deficit of 75 lakhs. The gap left by the remission of the provincial contributions had not therefore really been filled in 1928-29, and the question which Government have had to ask themselves in settling policy for the forthcoming year is whether the time has now come to decide that it will not be filled and that it will be necessary to find some new source of revenue. To answer this question it is necessary to take account both of the revenue and expenditure sides, for it would be impossible to say that the gap had been satisfactorily filled if that could only be done at the cost of omitting all items of beneficial expenditure which are really essential if the needs of the country are to be met.

Sir, I do not propose to tantalise the Council but will give at once the answer to this all-important question, the answer upon which the Government of India have decided after very careful consideration. The sum and substance of the position as regards revenue and expenditure which I will soon describe to you in greater detail is that we can make both ends meet this year without recourse to increased taxation and without denying money to any urgent beneficial expenditure, provided that we use the Revenue Reserve Fund; first to correct the artificial disturbance in the normal course of receipts from Salt revenue, and secondly, to meet certain special items of expenditure of a non-recurring nature.

There are several reasons which have weighed with Government in coming to this conclusion.

First, they do not think that it would be justifiable to impose new taxation until it is more clearly demonstrated that there is a permanent need for it. With reasonably favourable conditions some of our normal sources of revenue should be capable of considerable expansion, and it seems right to give the plan, on which the remission of provincial contributions was undertaken, the chance of another year in which to achieve its realisation.

Secondly, before imposing new taxation, the Honourable the Finance Member wishes to have a fuller opportunity of reviewing the expenditure side of the Budget than has been possible in the limited time since he took over office.

Thirdly, before imposing new taxation if that should prove necessary the Finance Member wishes to have adequate opportunity for studying conditions throughout the country so that he may be able to formulate proposals in the light of full knowledge of facts and opinions in such a way as to ensure that whatever is done is done in a way most beneficial to this country's interests.

Having thus told you the general plan of the Budget, I must explain the details of its construction. But before doing this, I must make it clear—in order to avoid any apparent inconsistency—that there is one proposal for new taxation, namely, an increase in the import and excise duties on motor spirit, to give effect to the recommendations of the Indian Road Development Committee. That, however, is quite outside the general scope of the normal budgetary receipts and expenditure.

REVENUE.

I will start with the main heads of revenue. Any comparisons which I make will be throughout with the revised estimates for 1928-29.

Imports of sugar during this year have been abnormally large, and we do not think it safe to take for next year more than

Customs. 7 crores which we regard as a reasonably normal figure.

This means a deterioration of 80 lakhs under this head alone. Further, the land customs figure will also show a reduction of 36 lakhs owing to the disappearance of the special factor which has swollen the revised estimate this year. But we expect appreciable improvements elsewhere, and, on the whole, we have assumed a gain of 40 lakhs.

We have taken the estimate for next year under Income-tax at 16.60 crores—an improvement of only 10 lakhs. Owing to

Taxes on Income. the absence of the specially large refunds, which have mainly led to the deterioration in the current year, the figure might actually

have been larger, but we have had to allow for the effect of the industrial strikes, particularly in Bombay and at Jamshedpur, which will make itself felt on the next year's collections.

As I have already indicated, the element of speculation, which has brought in a windfall under Salt of 65 lakhs in the current year, will lead to a corresponding reduction in the next, and we have therefore assumed a receipt of 6.35 crores only as compared with 7.65 crores for the current year.

As the Council is aware, the revenue from Opium is gradually diminishing as a result of the Government of India's self-denying policy whereby exports of provision opium are to be extinguished not later than 1935. We shall accordingly lose 42 lakhs next year under this head.

The only other item which shows an important variation is that relating to currency receipts, which are expected to go up by 36 lakhs. This, of course, merely means that we get back a portion of the rather high expenditure in the current year under Interest on Debt.

EXPENDITURE.

I turn next to the expenditure side of the account. The net payments of Interest on Ordinary Debt show a reduction of 1,33 lakhs accounted for mainly by larger recoveries from Commercial Departments and the Provincial Loans Fund in respect of the capital charged or lent to them. On the other hand, there is an increase in the charges for Interest on Other Obligations of 95 lakhs and an increased provision of 34 lakhs under Reduction or Avoidance of Debt. As regards the heading, Interest on Other Obligations, 50 lakhs of the increase represents growth in the provision for bonus on cash certificates. The total provision to cover the bonuses on the discharge of certificates which we anticipate for next year is 1.10 lakhs against a revised estimate of 60 for the current year and an actual payment of 23 lakhs in 1927-28. As Government's liability in regard to these certificates attracted specially keen attention in last year's Budget debates, the position has been explained at some length in the detailed Budget papers in a passage which I feel sure the Honourable Members of Council will read with special interest. At the moment I need only indicate briefly the main features of the situation in regard to the liquidation of this special liability. In the first place, the provision of 1.10 lakhs which I have mentioned, large though it is, still falls something short of meeting our full current liability. On the other hand, there are two mitigating factors in the situation. In the first place, on the basis of our present estimates, we shall have in the Revenue Reserve Fund at the end of next year a sum of 14 lakhs, and we have in mind the possibility that this sum or any other balance that may ultimately be available should be transferred to a Suspense Account against the liability on cash certificates. In addition to this, it must be remembered that the provision for Reduction or Avoidance of Debt includes a sum of 30 lakhs on account of Reparation payments. This in a sense is a later supplement to the original provision for Reduction or Avoidance of Debt which was settled on its own merits without taking into account the possibility of such a windfall. These two factors included, we feel satisfied that, if Government's position is viewed as a whole, fair provision is made for the accrued liability. We are left to consider the further obligation to make-

some provision to cover the accumulated arrears, and as regards this we think it sufficiently safe that this obligation should be considered together with the general obligation of Government to make provision for the amortisation of their total debt.

As Honourable Members are aware, the existing debt redemption scheme was described in the Finance Department's Resolution of the 9th of December, 1924 and in paragraph 33 of Sir Basil Blackett's Budget speech of the 28th of February, 1925. This scheme is to be in force to the end of the year 1929-30, and will accordingly have to be reviewed before the estimates for the following year are framed. It has, therefore, been thought justifiable and indeed fairer to the Legislature and to the country that the means to amortise the accrued obligation in respect of cash certificates should be considered together with the general debt redemption scheme and that we should not decide now upon earlier expedients.

To continue my analysis of expenditure, the group head Civil Administration shows a large increase of 1.18 lakhs and this is a feature of our estimates on the constituents of which I wish to lay some emphasis. The head includes a number of items of a non-recurring nature, and I have already explained that it is certain of these measures which can justifiably be met from a draft on the Revenue Reserve Fund.

First, we have to find 29 lakhs for India House in London which is expected to be completed next year so that this liability will not appear again.

Again, we are providing 16.4 lakhs for agricultural research, of which only 1.4 lakhs represent normal recurrent expenditure, and 15 lakhs represent the initial grant towards a total Endowment Fund of 25 lakhs. We hope to be able to provide the remaining 10 lakhs in 1930-31. But in the event of new financial difficulties it might be possible to postpone this payment, and, in any case, these are final disbursements which will not recur. As Honourable Members are aware, the Agricultural Commission recommended an initial Endowment Fund of 50 lakhs, but, instead, the Government of India propose to create an Endowment Fund of 25 lakhs and to supplement this with an additional voted grant of 5 lakhs each year. Normal recurrent charges on account of agricultural research staff are estimated to amount to 2.25 lakhs, so that when the full scheme is going, the normal recurring charge will be 7.25 lakhs as against the provision of 16.4 lakhs made in 1929-30.

The next item for special consideration is 20 lakhs for new expenditure on Civil Aviation. This again represents very largely initial expenditure of a non-recurring nature on setting up essential ground organisation. But I must warn the Council that, if a policy of Government encouragement of civil aviation is to be actively carried out, there will be further recurring charges. The exact amount of these cannot be estimated until the amount of the subsidies required is known. The main point, however, which I wish to make at present is that the present programme includes nothing of this kind except the estimated subsidy for six months for an overland service from Karachi to Delhi, and Government retain complete liberty of decision as regards further extensions. Our financial commitments, therefore, at the moment are still under control, and a substantial part of the item of 20 lakhs now provided for need not necessarily be recurring.

The head with which I am now dealing also includes grants for general beneficial expenditure, such as, 5 lakhs for the additional grant to the Benares

Hindu University; 2 lakhs for the Bose Research Institute; 4 lakhs for reclamation operations in the Andaman Islands, and $1\frac{1}{2}$ lakhs for special grants to the Pasteur Institute of India.

All these items to which I have referred are special items and they account for no less than 78 lakhs. It is relevant to mention that elsewhere in the estimates there are still other items of expenditure of a beneficial character, e.g., 6 lakhs for general measures for the improvement of the conditions of life in Old Delhi and $8\frac{1}{2}$ lakhs for irrigation and other development projects in the North-West Frontier Province, Baluchistan and other Minor Administrations. The future efforts of Government in directions of this kind must, of course, depend on the financial position, but I think Honourable Members of this Council will agree that to provide for expenditure of this character is a very important duty devolving upon the Government and the Legislature, and that, if we fail to do so, the public administration could justly be characterised as negligent and sterile.

Departmental transactions require only a brief mention. The contribution payable by the Railways to general revenues will be 6.25 crores, inclusive of 13 lakhs on account of the one-third share of the excess over 3 crores of the amount available for transfer to the Railway Reserve Fund. The total contribution is 79 lakhs more than the revised estimate for the current year.

The prospects of the Indian Posts and Telegraphs Department for next year are more hopeful than is indicated by the revised estimates for 1928-29. Now that the outstanding necessities of the staff in the matter of pay and general conditions of service have been met, we are free from anxiety on one very important account. With a moderate improvement in the revenues of the Department, it is expected to work at a loss of not more than 8 lakhs, which is mainly attributable to certain unremunerative but inevitable activities of the Department consisting for the most part of wireless facilities provided primarily in the interests of the general administration of the country, and to meet India's international obligations in connection with shipping. So far as it has been possible to ascertain the cost of these services, I think it may be taken at about 10 lakhs. In the circumstances, it is clear that, if we are to make any serious attempt to maintain the principle that the Department should be self-supporting, a reduction in postal or telegraphic rates is at present out of the question. The Indo-European Telegraph Department is expected to show a loss of $5\frac{1}{2}$ lakhs against a loss of about $7\frac{1}{2}$ lakhs in the current year. The loss in working the two departments together will thus be about 22 lakhs less than in 1928-29.

Lastly, I have to inform this House of the position as regards Military expenditure. Apart from the grant of 10 lakhs to covert the Shea Committee measures in connection with the Territorial Force, the net demand is 55 crores. Honourable Member, will not be surprised to see this figure, as it was indicated by Sir Basil Blackett in introducing the Budget last year that there was no prospect of reduction for some time to come. The general situation which Government had to face in connection with the Army was also explained at length in a statement and in a memorandum laid on the table of the Legislative Assembly by the Army Secretary on the 5th of September last. Accordingly, a further exhaustive examination of the details of this question is not necessary on the present occasion. Honourable Members will, however, be interested to see the full exposition of the general situation in regard to Army Finance, its present limitations and future prospects which will be found in the Budget papers. I will touch briefly on the points of main importance which are there brought out. The crux of the whole matter

is to be found in the necessity for undertaking the programme for the modernisation of Army equipment described in the statement of the 5th September, to which I have already referred. This programme included the expansion of the Air Force by two squadrons and a provision for the modernisation of the equipment of that Force in India; also a provision for measures in connection with anti-aircraft and anti-gas regulations and for the mechanisation of transport and of fighting units together with the completion of reserves. The total cost of the full programme was estimated at 10 crores, made up of 8 crores for the specific measures defined above and 2 crores to cover subsidiary requirements not yet exactly defined.

The formulation of these needs created a difficult problem as to how financial provision could be made to meet them. The Government decided that the Military Budget could not in any case be allowed to exceed the figure of 55 crores and that the special expenditure required must be found within the limits of that sum. Certain automatic savings were in sight, principally those due to the reduction in the pay of British troops, amounting altogether to a saving of more than one crore; and over and above these savings, the Army authorities undertook to carry out a special economy campaign in order to secure the additional money that was required.

Accordingly, a plan was devised which provides that if the Army Budget is maintained at a figure of 55 crores for four years—starting with the year 1928-29—then, apart from any abnormal or unforeseen circumstances, the necessary special expenditure will be found within the limits of this sum. As it is impossible to forecast exactly the rate at which the new equipment will be provided, and as it is important to avoid fluctuations in the Military Budget from year to year, it is proposed to adopt the procedure of transferring to a Suspense Account any sum within the limit of 55 crores not spent in any particular year, on the understanding that this Suspense Account can be drawn upon in subsequent years.

Provided that a close check is kept throughout by the Finance Department on all expenditure, it may be claimed that there are considerable advantages in an arrangement on these lines, for it has the effect of removing all inducement to the Army authorities to incur hasty expenditure before the end of a financial year in order to avoid the lapse of grants. A further advantageous result which, according to my information, the experience of the working of the arrangement since last summer may be anticipated to produce is that we may count upon real co-operation between the Army authorities and the Finance Department in the search for all possible economies, for the Army authorities know that the completion of the programme of re-equipment is dependent on the discovery of such economies.

In order to show how the arrangement is materialising, I may state that for the current year, 1928-29, the expenditure on normal standing charges of the Army will be 53½ crores, which leaves approximately 1½ crores to be spent towards the carrying out of the special programme. It is further estimated for 1929-30 that the ordinary maintenance charges in the Army will amount to 52·94 crores, leaving a margin of 2·06 crores for expenditure on the special programme.

The normal cost of the standing military charges is thus being steadily cut down and carefully isolated in order that, when the four years' programme of re-equipment is completed, that is to say, after the year 1931-32, there may be some definite basis for dispositions to ensure that, in the absence of some unforeseen mischance the total Military Budget may be substantially reduced.

No one can fail to regret that these ultimate savings cannot be appropriated earlier to other purposes. It will, however, at least be something of an achievement if an important programme for modernising the equipment of the Army costing about 10 crores can be carried through in 4 years without an increase in the previous standard of military expenditure. Moreover, it can be definitely stated that, when the programme is completed, the country will have a more efficient force at a smaller cost. I need only add that, while the special programme is in course of execution, there will be no change in the existing system of financial control. Actually during the current cold weather an Additional Financial Adviser, a civilian officer trained in the Finance Department, was appointed to assist in the economy campaign. He has made extensive tours of inspection and the knowledge thus acquired should be of great value in the future in strengthening, in a practical manner, the means of financial control.

SUMMARY.

The more important variations from the revised estimates may now be summarised as follows :

The improvements as compared with the revised estimate for 1928-29 total 177 lakhs and the deficiencies total 297 lakhs—a net deficiency of 120 lakhs. In other words, instead of the surplus of 30 lakhs, which the revised estimates show for the current year, we shall have to make up a balance of 90 lakhs in 1929-30 from other sources : and, as I have already indicated, Government have thought it justifiable to provide the necessary balance from the Revenue Reserve Fund, and to defer any question of imposing new taxation. The Revenue Reserve Fund, as already explained, is expected to stand at 1.04 lakhs on the 31st March, 1929, so that, by providing from this source the sum of 90 lakhs which is required to balance the Budget for 1929-30, there will still remain a balance of 14 lakhs left in the Fund at the close of that year.

NEW TAXATION.

I have so far dealt with the normal content of the Budget and have left one particular proposal till the end. The Finance Bill, it will be seen, contains a provision, necessitated by the recommendations of the Indian Road Development Committee, for the increase, from 4 to 6 annas per gallon, of the import and excise duties on motor spirit. The additional revenue expected to be realised on this account is 6 lakhs in the current year and 83 lakhs in the next. These amounts have accordingly to be added to the estimates of Customs revenue which I have already mentioned to the House. But there will also be a corresponding addition to the charges under the Civil Works head, representing block grants of the same amounts, which will be credited to a Road Development Fund, from which disbursements will be made from time to time to Provincial Governments and others on the general lines recommended by the Committee. This of course is a measure of taxation which is designed not for the advantage of the general revenues of the Central Government but for a specific purpose which has been unanimously recommended by the Committee, and which I have no doubt will be welcomed by this House. The Committee, as I might remind Honourable Members, was appointed in consequence of a Resolution moved in this Council. It consisted of 14 Members of the two Chambers including representatives of all parties and of the Government. The Committee submitted unanimous recommendations which appear to be generally acceptable, and which are charged with far-reaching possibilities of future development.

BUDGET FOR 1929-30.

73

FINAL RESULT.

The main figures of the Budget, after allowing for the transfers to and from the Revenue Reserve Fund and for the additional taxation and its disposal just referred to, stand as follows :—

	<i>(In crores of rupees.)</i>	
	<i>Revised.</i>	<i>Budget.</i>
Revenue	1,31·20	1,34·06
Expenditure	1,31·20	1,34·06

WAYS AND MEANS.

I will now give the House a brief account of the leading features of the Ways and Means operations of the current and ensuing years. The revised estimate for the current year is as follows :

<i>Liabilities.</i>	<i>(In crores of rupees.) Revised, 1928-29.</i>
Railway capital outlay (construction)	26·0
Purchase of Railways	4·0
Other capital outlay	1·7
Provincial Governments' transactions	12·1
Discharge of public debt (net)	19·9
Other transactions (net)	·4
Total	64·1
<hr/>	
<i>Resources.</i>	
Rupee Loan (net)	33·8
Sterling Loan (net)	12·1
Postal cash certificates and savings bank	3·7
Other unfunded debt	4·9
Debt redemption	5·8
Depreciation and Reserve funds	6·3
Reduction of cash balances	—2·3
Total	64·1

In this revised estimate the following are the main items of interest. The opening balance, taking India and England together, turned out to be 4 crores less than estimated a year ago. This was because actual issues of Treasury Bills in March last were $1\frac{1}{2}$ crores less and Railway capital expenditure was $2\frac{1}{2}$ crores more than contemplated. The position during the year has also worked out worse than was anticipated. First, Railway capital expenditure again threatened substantially to exceed the original estimate, and, in spite of restraints applied in August last, is likely to amount to 26 crores instead of 24 crores as estimated ; secondly, the net receipts from cash certificates have latterly shown signs of falling off ; lastly, the climatic conditions referred to at the outset of my speech have resulted in considerably larger drawings by certain Provinces. All these factors combined made

it necessary to strengthen the position temporarily by the issue of sterling bills in August for £6 millions and eventually, for reasons which are fully analysed in the detailed Budget papers, to provide for a more permanent reinforcement by the issue of a $4\frac{1}{2}$ per cent. loan in January last in London for £10 millions at 91. The proceeds of this loan will be directly used to pay off the £6 million sterling bills and to meet the purchase price for the Burma Railways.

In other respects events have followed the course anticipated. The Rupee loan issue in July was successfully launched in the form of a $4\frac{1}{2}$ per cent. 1955-60 loan and $4\frac{1}{2}$ per cent. 1934 Bonds, which brought in 9.06 crores (nominal) and 25.98 crores (nominal), respectively, or a net total of 33.8 crores.

The current year has thus provided an illustration of the need for increased borrowing, if a heavy programme of capital expenditure is to be continued. There are, however, certain special points to which attention should be called.

First, the capital expenditure included 4 crores for the purchase of the Burma Railways which may be regarded in a sense as an artificial addition to normal needs; *secondly*, even for this year with its larger sterling and rupee loans, the net amount borrowed from the public in India and England together in the form of loans and Treasury Bills, after allowing for discharges and conversions, has only been 26 crores as against an aggregate capital outlay of just under 44 crores for the Central Government's capital expenditure and drawings by provinces. The Treasury Bills outstanding with the public which, according to the Budget estimates of the current year, should have stood at 9 crores, are now expected to be reduced to 6.95 crores at the close of the current year, and the Honourable the Finance Member has it in contemplation further to reduce the outstandings of Treasury Bills so that these do not remain a permanent feature in the local money market conditions. On the whole, it may, I think, fairly be claimed that Government, in spite of difficulties, find themselves at the close of the current year in a stronger position than they held at the beginning.

For 1929-30 the Ways and Means estimates are as follow :

		(In crores of rupees.)	
<i>Liabilities</i>		<i>Budget, 1929-30.</i>	
Railway capital outlay (construction)	.	.	26.5
Purchase of Railways	.	.	7.0
Other capital outlay	.	.	2.1
Provincial Governments' transactions	.	.	7.2
Discharge of Public debt (net)	.	.	3.9
Other transactions (net)	.	.	1.4
Total		.	48.1
<i>Resources,</i>			
Rupee Loan (net)	.	.	18.0
Sterling Loan (net)	.	.	7.0
Postal cash certificates and savings bank	.	.	5.3
Other untended debt	.	.	4.9
Debt redemption	.	.	6.0
Depreciation and Reserve funds	.	.	5.8
Reduction of cash balances	.	.	1.1
Total		.	48.1

As the Council will realise from factors which have already been indicated, the adoption of this programme means that we take upon ourselves no light task : and we have had to consider very seriously whether it is practicable in present conditions to continue capital outlay on the scale to which we have become accustomed in the recent past : Railway expenditure has been outrunning the provision made for it. On the other hand, the capital resources by which we supplement the proceeds of our public loans have shown signs of diminishing. As a result of a very thorough examination of the position, however, it was found that any immediate and drastic reduction of the capital programme of the Railways would be very undesirable. A programme of railway development, once it has got under way, cannot suddenly be interrupted without great waste ; one commitment leads to another. New branch lines bring more traffic, and this means that trunk lines have to be strengthened. Heavier trains must be drawn, which means relaying with heavier rails, rebuilding or strengthening bridges, purchasing heavier locomotives. The heavier locomotives bring the need for remodelling or rebuilding repair shops. And so it goes on. If the programme is not carried to completion, the economic value of much of the work in the first stages is lost.

Apart from this, I am sure this Council will agree that at a time when the general state of industry and trade in the country is at least somewhat below par, public expenditure on work which gives a great deal of local employment should not be suddenly and drastically cut down.

In the end we have provided, as has been indicated in the figures which I have already given, for a capital expenditure of 26½ crores on the Railways—a substantial sum—but the real feature in the programme is this : that the bulk of the money is to finance the execution of current work and that new commitments have been reduced to a minimum. There could thus, if necessary, be a substantial curtailment in 1930-31 and measures have been adopted to ensure that the allotment for 1929-30 will not be overspent. It is essential that the actual progress of expenditure should be under firm and certain control. The result as far as concerns the Ways and Means position is that, allowing for a reduction in Public Debt of just under 4 crores—in Treasury Bills and sterling obligations—we shall require to raise a total new loan of 18 crores.

The £5¼ million sterling to be found for the purchase of the Southern Punjab Railway is an additional liability, and as this represents merely the conversion of a sterling obligation which is already in existence, it is proposed that this should be met by a sterling loan.

I need say no more at the moment as regards Ways and Means. I wish, however, to invite the special attention of Honourable Members to the fuller statement on our borrowing policy which will be found in the printed papers.

As regards remittances to the Home Treasury, a few observations will suffice. A year ago it was estimated that we should require to remit £36 million to London in 1928-29. Imports of sovereigns from South Africa, which were presented at our Currency Offices between the 15th November, 1928, and the 15th January, 1929, amounted to about £1·8 million, and, apart from this, imports of treasure have, on the whole, been on a somewhat larger scale than during last year. This has affected our power to remit the full amount by means of sterling purchases in the open market. The raising of a sterling loan in January, which I have already referred to, has reduced the amount which must be remitted in the current year to £29¼ million, of which up to date we have succeeded in remitting nearly £27 million. On the assumption that

the sterling payment for the Southern Punjab Railway will be made by means of a sterling loan next year, the amount required to be remitted to London in order to enable the Secretary of State to close with a normal working balance is now estimated at £35½ million.

Sir, this concludes the information which it is my privilege to communicate to the Council regarding our current budgetary dispositions. But, perhaps, before I sit down, I may be permitted to add a few general reflections of my own. Last year, on the corresponding occasion, I described the Budget of 1928-29 as a commonplace Budget, of which the most reassuring feature was that it represented stability in, at any rate, the financial sphere. To-day, I again present a Budget with no sensational ingredients; we are in a sense still marking time. To this I make one reservation which, to my mind, is of very great importance. We are not in every respect marking time—we are actually advancing in the sense that the Budget for 1929-30, if it is accepted, will, without increasing taxation, enable us to devote considerable sums of money to expenditure on measures relating to a fairly wide range of vital departments of the national life of the country. Some of these measures promote beneficent activities for the prosecution of which Government with the support of public opinion are themselves responsible. Others provide for the encouragement of enlightened private enterprise, working also for the good of the general community.

Again, I emphasised last year that the result is almost certain to be misleading if we concentrate our gaze upon the Budget of a single year. On this occasion also, I would ask the Honourable Members of this Council to take a more extensive view. If one looks back over the past six years, one cannot fail to be struck by the great inherent strength exhibited in India's financial history for that period. On the side of Capital expenditure, the productive assets of the country have been very largely increased in proportion to the loan liabilities involved. A broad survey of the revenue position is also encouraging. When we think of the revenue which has been sacrificed by the Central Government in the past six years in order to give greater latitude to the Provinces, to secure some economic advantage for India, or to co-operate in high international policy—nearly 10 crores of provincial contributions given up, and in taxation 1½ crores on Cotton Excise, 85 lakhs on machinery duties, 1½ crores on Opium, to mention only the more important cases—and when we see how other sources of revenue have moved towards filling the gap, I think we may be justified in feeling some confidence as to the future. I, for one, cannot believe that even the resources on which we at present depend—apart altogether from other resources which might be called into play—have reached their limit of productivity. If, for the moment, we appear to stand still, it is in the main because we feel reasonably confident and because we wish to lay sound plans and await the favourable moment for a judicious and certain advance.

Finally, I think the Honourable Members of this Council will be very ready to recognise the evident care and solicitude for Indian interests which the Honourable Sir George Schuster has brought to bear upon the preparation of his first Indian Budget, and I am sure that he may count upon their whole-hearted assistance in pursuing the aims which he has set before him.

BUDGET FOR 1929-30.

77

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1929-30 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.	Reference to pages of detailed statements.
A.—Expenditure charged to Revenue.			Rs	
16†	Customs	Customs	76,54,000	1—28
17	Taxes on Income	Taxes on Income	68,79,000	29—50
18	Salt	Salt	88,95,000	51—82
19	Opium	Opium	70,14,000	83—90
20	Stamps	Stamps	23,000	91—94
21	Forest	Forest	8,32,000	95—105
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	16,13,000	106—123
23	Indian Posts and Telegraphs Department (including Working Expenses).	} Posts and Telegraphs	11,04,29,000	124
24	Indo-European Telegraph Department (including Working Expenses).		22,21,000	125
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on Ordinary Debt	1,38,15,000	126—127
26	Interest on Miscellaneous Obligations	} Interest on other Obligations	48,57,000	128—129
27	Staff, Household and allowances of the Governor General.		4,30,000	130—134
28	Executive Council		66,000	135
29	Legislative Bodies		8,38,000	136—138
30	Foreign and Political Department		8,36,000	139—140
31	Home Department		6,06,000	141—145
32	Public Service Commission		86,000	146—147
33	Legislative Department		3,42,000	148—149
34	Department of Education, Health and Lands.	} General Administration	5,90,000	150—152
35	Finance Department		10,74,000	153—156
36	Separation of Accounts from Audit		15,73,000	157—165
37	Commerce Department		8,15,000	166—167
38	Army Department		5,36,000	168—169
39	Department of Industries and Labour		4,78,000	170—171
40	Central Board of Revenue		1,95,000	172—173
41	Payments to Provincial Governments on account of Administration of Agency subjects.		1,08,000	174—175
42	Audit	Audit	86,52,000	176—197
43	Administration of Justice	Administration of Justice	55,000	198—199
44	Police	Police	1,82,000	200—204
45	Ports and Pilotage	} Ports and Pilotage	10,89,000	205—239
46	Lighthouses and Lightships		10,80,000	240—251
47	Survey of India	Scientific Departments	30,48,000	2—267
48	Meteorology	" "	11,74,000	268—277
49	Geological Survey	" "	2,52,000	278—281
50	Botanical Survey	" "	2,81,000	282—285
51	Zoological Survey	" "	2,04,000	286—287
52	Archæology	" "	10,48,000	288—293
53	Mines	" "	1,12,000	294—295
54	Other Scientific Departments	" "	5,16,000	296—297
55	Education	Education	7,91,000	298—301
56	Medical Services	Medical	8,45,000	302—312
57	Public Health	Public Health	18,94,000	313—322
58	Agriculture	Agriculture	32,69,000	323—351
59	Civil Veterinary Services	" "	6,68,000	352—356
60	Industries	Industries	2,01,000	357—360
61	Aviation	Aviation	23,60,000	361—363
		Carried over	19,95,14,000	

† Demands Nos. 1—15 relate to expenditure on Railways.

Schedule of demands for grants for expenditure of the Central Government
(excluding Railways) for the year 1929-30 submitted for the vote of
the Legislative Assembly—*concl'd.*

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.	Reference to pages of detailed statements.
			Rs.	
	Brought forward		19,95,14,000	
	A.—Expenditure charged to Revenue — <i>concl'd.</i>			
62	Commercial Intelligence and Statistics	Miscellaneous Departments	3,18,000	364—367
63	Census	" " " "	6,000	368
64	Emigration—Internal	" " " "	87,000	369—373
65	" External	" " " "	2,01,000	374—379
66	Joint-Stock Companies	" " " "	1,85,000	380—384
67	Miscellaneous Departments	" " " "	2,43,000	385—391
68	Indian Stores Department	" " " "	20,85,000	392—406
69	Currency	Currency	46,42,000	40—425
70	Mint	Mint	20,86,000	421—432
71	Civil Works	Civil Works	2,51,58,000	433—494
72	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions	38,73,000	495—498
73	Stationery and Printing	Stationery and Printing	48,46,000	497—538
74	Miscellaneous	Miscellaneous	18,19,000	539—561
75	Refunds	" " " "	66,60,000	562—564
76	North-West Frontier Province	" " " "	1,12,24,000	565—629
77	Baluchistan	" " " "	28,85,000	630—663
78	Delhi	" " " "	41,84,000	664—694
79	Ajmer-Merwara	" " " "	14,79,000	695—721
80	Andamans and Nicobar Islands	Distributed over respective heads of account.	45,10,000	722—739
81	Rajputana		5,43,000	740—753
82	Central India		5,66,000	754—768
83	Hyderabad		2,96,000	769—776
84	Expenditure in England—Secretary of State for India		16,45,000	777—779
85	Expenditure in England—High Commissioner for India		52,90,000	780—782
Non-voted	Ecclesiastical, Political, etc. . . . .		...	783—804
	TOTAL		28,30,58,000	
	B.—Expenditure charged to Capital.			
86	Capital outlay on Security Printing	Capital outlay on Security Printing	45,000	807
87	Forest Capital outlay	Capital outlay on Forests	1,000	808—812
88	Irrigation	Construction of Irrigation Works	1,99,000	813—815
89	Indian Posts and Telegraphs	Capital outlay on Posts and Telegraphs	69,11,000	816
90	Indo-European Telegraphs		1,000	817
91	Capital outlay on Currency Note Press	Currency Capital outlay not charged to Revenue	52,000	818
92	Capital outlay on Vizagapatam Harbour	Capital outlay on Vizagapatam Port	40,60,000	819
93	Capital outlay on Lighthouses and Lightships	Capital outlay on Lighthouses and Lightships	8,000	820
94	Commuted value of Pensions	Payment of Commuted Value of Pensions	24,71,000	821
95	New Capital at Delhi	Initial Expenditure on New Capital at Delhi	1,96,000	822—830
	TOTAL		2,56,50,000	
	C.—Disbursements of Loans and Advances.			
96	Interest-free advances		90,25,000	832—833
97	Loans and advances bearing interest		14,10,63,000	834—836
	TOTAL		15,00,88,000	
	GRAND TOTAL		45,88,27,000	

Declaration by the Governor General in Council under Section 67-A(7) of the Government of India Act regarding certain demands refused by the Assembly.

In pursuance of section 67-A(7) of the Government of India Act, the Governor General in Council is pleased to declare that the following demands which have been refused by the Legislative Assembly are essential to the discharge of his responsibilities :—

Demand.	Amount.
	Rs.
28.—Executive Council	65,999
38.—Army Department	5,35,800

E. BURDON,

The 16th March 1929.

Secretary to the Government of India.

THE INDIAN FINANCE BILL.

AS IT STOOD ON THE 27TH MARCH 1929, AFTER THE SECOND READING IN THE LEGISLATIVE ASSEMBLY.

(As on pages 58 to 61, except that in clause 2 on page 58, the words " one rupee " were substituted for the words " one rupee and four annas ".)

RECOMMENDATION BY THE GOVERNOR GENERAL TO THE LEGISLATIVE ASSEMBLY.

In pursuance of the provisions of sub-section (1) of section 67B of the Government of India Act, I, Edward Frederick Lindley, Baron Irwin, do recommend to the Legislative Assembly that it do pass the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax, and to raise the import and excise duties on motor spirit, in ~~the form~~* hereto annexed.

IRWIN,

March 27th, 1929.

Viceroy and Governor General.

*As on pages 58 to 61. The Bill was passed in this form by the Legislative Assembly on the 28th March 1929 and by the Council of State on the 30th idem.

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 6th April 1929.

The following Act of the Indian Legislature received the assent of the Governor-General on the 30th March 1929, and is hereby promulgated for general information :—

ACT No. VI OF 1929.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act 1923, to fix rates of income-tax, and to raise the import and excise duties, on motor spirit.

VI of 1898.
C of 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in or imported by land into, certain parts of British India, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Paper Currency Act, 1923, to fix rates of income-tax and to raise the import and excise duties on motor spirit; It is hereby enacted as follows :—

Short title, extent and duration. 1. (1) This Act may be called the Indian Finance Act, 1929.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) Sections 2 and 3 shall remain in force only up to the 31st day of March 1930.

III of 1882. 2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April 1929, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

I of 1898. 3. With effect from the 1st day of April 1929, the schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

I of 1923. 4. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, Amendment of Act X for the figures "1929" the figures "1930" shall be substituted.

Income-tax and super-tax. 5. (1) Income-tax for the year beginning on the 1st day of April 1929 shall be charged at the rates specified in Part I of the Second Schedule.

I of 1922. (2) The rates of super-tax for the year beginning on the 1st day of April 1929, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule.

(3) For the purposes of the Second Schedule, "total income" means total income as determined, for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

XI of 1922

6. (1) In Schedule II to the Indian Tariff Act, 1894, in Item No. 40A, ^{VIII of 1894} for the words "Four annas" in the entry in the fourth column, the words "Six annas" shall be substituted.

(2) In sub-section (1) of section 3 of the Motor Spirit (Duties) Act, 1917, ^{II of 1917} for the words "four annas" the words "six annas" shall be substituted.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 3.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[See section 7.]

Letters.

For a weight not exceeding two and a half tolas One anna.

For every two and a half tolas, or fraction thereof, exceeding two and a half tolas One anna.

Postcards.

Single Half an anna.

Reply One anna.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas Quarter of an anna.

For a weight exceeding eight tolas and not exceeding twenty tolas Half an anna.

For every twenty tolas, or fraction thereof, exceeding twenty tolas Half an anna.

Parcels.

For a weight not exceeding twenty tolas Two annas

For a weight exceeding twenty tolas and not exceeding forty tolas Four annas.

For every forty tolas, or fraction thereof, exceeding forty tolas Six annas."

SCHEDULE II.

[See section 5.]

PART I.*Rates of Income-tax.*

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	Rate.
(1) When the total income is less than Rs. 2,000	Nil.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.*Rates of Super-tax.*

In respect of the excess over fifty thousand rupees of total income:—

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company, for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the second fifty thousand rupees of such excess.	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess	Six annas in the rupee.

L. GRAHAM,
Secy. to the Govt. of India

No.F. 1(1)-F./29.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 31st March 1929.

RESOLUTION.

The statements relating to the Revised estimates for 1928-29 and the Budget estimates for 1929-30, which were presented to the Legislative Assembly and the Council of State on the 19th and the 28th February 1929, have been reconsidered with reference to the reductions made by the Legislative Assembly in the demands for grants and the action taken by the Governor General in Council in respect thereto. As explained below, the statements need no alteration on the whole but are now published as usual for general information.

2. The following reductions were made by the Legislative Assembly in the demands presented to them :—

Demand.	Amount.
	Rs.
18.—Salt	100
28.—Executive Council	65,999*
38.—Army Department	100
Ditto	100
Ditto	5,35,800*
76.—North-West Frontier Province	100

Of these, the Governor General in Council has, under section 67-A(7) of the Government of India Act, decided that the two amounts marked with an asterisk are essential to the discharge of his responsibilities.

The remaining alterations result in a reduction of the expenditure in ~~the~~ by Rs. 400, but as the estimates are in round thousands of Rupees, they remain unaffected by these alterations.

E. BURDON,

Secretary to the Government of India.

BUDGET

of the

Governor-General in Council,

March 1929.

FINANCE DEPARTMENT,
New Delhi, the 31st March 1929. }

E. BURDON,
Secretary to the Govt. of India.

CONTENTS.

	PAGES.
I.—GENERAL STATEMENT of the REVENUE and EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	84—87
II.—GENERAL STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	88—89
A.—STATEMENT of the REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	90—93
B.—STATEMENT of the EXPENDITURE charged to REVENUE of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	94—97
C.—STATEMENT of RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	98—100
D.—ABSTRACT STATEMENT of the RECEIPTS and DISBURSEMENTS of the CENTRAL GOVERNMENT in INDIA and in ENGLAND	110—111

BUDGET FOR 1929-30.

I.—General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	48,31,41,872	50,18,37,000	50,04,18,000	51,21,77,000
Taxes on Income	"	15,08,38,243	18,99,58,000	10,50,10,000	16,59,00,000
Salt	"	6,68,17,979	7,00,08,000	7,64,00,000	6,84,64,000
Opium	"	3,04,52,354	3,47,77,000	3,47,77,000	3,05,57,000
Other Heads	"	2,29,98,792	2,20,10,000	2,10,90,000	2,22,67,000
TOTAL PRINCIPAL HEADS		79,15,50,110	79,85,90,000	79,83,64,000	79,44,25,000
Railways: Net Receipts (as per Rail- way Budget)		8,67,18,479	38,50,00,000	38,91,00,000	40,55,00,000
Irrigation: Net Receipts	A	9,05,372	12,36,000	11,31,000	13,40,000
Posts and Telegraphs: Net Receipts .	"	31,45,661	57,37,000	32,14,000	67,73,000
Interest Receipts	"	3,61,90,602	2,91,97,000	3,67,55,000	3,45,64,000
Civil Administration	"	98,89,113	1,01,32,000	1,00,79,000	1,12,25,000
Currency and Mint	"	2,77,48,116	2,48,81,000	2,69,44,000	3,05,77,000
Civil Works	"	16,07,066	14,41,000	16,03,000	18,43,000
Miscellaneous	"	52,45,803	51,82,000	53,15,000	65,44,000
Military Receipts	"	1,51,49,312	2,91,12,000	3,56,44,000	3,18,71,000
Provincial Contributions and miscel- laneous adjustments between Central and Provincial Governments . . .	"	6,10,130		4,50,000	...
Extraordinary Items	"	2,35,60,337	26,07,000	26,88,000	1,19,86,000
TOTAL REVENUE		1,27,26,28,351	1,29,64,75,000	1,31,19,67,000	1,34,00,33,000

BUDGET FOR 1929-30.

87

Revenue of the Central Government, in India and in England.

	For details, vide Statement.	Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenue	B	4,18,87,072	4,24,84,000	4,09,38,000	4,38,48,000
Forest and other Capital outlay charged to Revenue	"	12,58,480	6,41,000	5,74,000	7,88,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget)	"	32,39,65,397	33,02,00,000	32,45,24,000	34,00,28,000
Irrigation	"	17,09,959	23,10,000	21,77,000	21,64,000
Posts and Telegraphs	"	78,73,876	61,66,000	64,11,000	61,30,000
Debt Services	"	15,61,13,557	14,90,61,000	15,63,84,000	15,59,88,000
Civil Administration :	"	11,24,77,769	11,69,45,000	11,48,53,000	12,60,74,000
Currency and Mint	"	87,66,714	69,63,000	73,84,000	71,02,000
Civil Works	"	1,59,47,693	1,73,41,000	1,71,34,000	2,59,35,000
Miscellaneous	"	3,75,30,626	4,10,08,000	4,17,44,000	4,06,98,000
Military Services	"	56,33,94,89	58,04,12,000	54,49,44,000	56,58,71,000
Miscellaneous adjustments between the Central and Provincial Governments	"	3,50,411	...	1,08,000	...
Extraordinary Items	"	18,22,454	4,50,000	31,13,000	2,25,000
<hr/>					
TOTAL EXPENDITURE CHARGED TO REVENUE		1,27,26,24,851	1,29,69,69,000	1,31,19,67,000	1,34,06,32,000
SURPLUS . . . . .		...	5,00,000	...	...
<hr/>					
TOTAL		1,27,26,28,351	1,29,64,75,000	1,31,19,67,000	1,34,06,32,000

BUDGET FOR 1929-30.

II.—General Statement of the Receipts and Disbursements of the

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	...	5,06,000	..	...
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)		21,594	2,08,80,000	83,14,000	2,63,19,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	4,38,87,984	12,86,08,000	27,69,08,000	23,12,03,000
Floating Debt (net incurred) . . . . .	"	..	...	6,57,50,000	...
Unfunded Debt (net incurred)	"	11,86,63,478	11,74,84,000	8,58,25,000	10,23,34,000
Deposits and Advances (net)	"	7,00,46,716	7,08,48,000	...	6,58,81,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	4,90,49,879	6,45,30,000	5,95,14,000	5,35,73,000
TOTAL DEBT, DEPOSITS AND ADVANCES.		29,15,48,057	38,14,66,000	43,99,97,000	44,29,90,000
Remittances (net)	C	19,22,402	26,53,000	15,20,000	1,08,000
TOTAL RECEIPTS		29,34,92,459	40,50,05,000	49,98,31,000	46,06,17,000
Opening Balance { India	"	27,57,75,069	12,73,43,089	9,16,10,089	11,73,63,089
{ Provincial		4,21,11,704	5,07,11,307	7,54,87,402	7,29,96,402
TOTAL		61,53,80,172	61,30,64,376	66,68,28,491	65,09,76,491

BUDGET FOR 1929-30.

89

Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1927-28.	Budget Estimate, 1928-29.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
		Rs.	Rs.	Rs.	Rs.
Deficit	C	...	..	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Capital outlay on Security Printing Press	C	—2,76,514	67,000	—4,48,000	45,000
Construction of State Railways (as per Railway Budget)	"	32,46,42,177	24,00,00,000	26,00,00,000	23,22,67,000
Discharge of Debentures (as per Railway Budget)	"	66,78,250	2,08,80,000	22,14,000	2,65,12,000
Redemption of liabilities involved in the purchase of Railways (as per Railway Budget)	"	...	4,00,00,000	4,00,00,000	...
Construction of Irrigation Works	"	6,751	1,74,000	1,16,000	1,99,000
Capital outlay on Posts and Telegraphs	"	46,87,947	68,02,000	59,37,000	66,13,000
Capital outlay on Visagapatam Port	"	29,04,964	47,23,000	22,00,000	40,00,000
Capital outlay on Light-houses and Light-ships . . . . .	"	...	...	...	8,000
Currency Capital outlay	"	12,94,577	17,000	3,02,000	52,000
Initial expenditure on New Capital at Delhi	"	46,67,733	78,68,000	49,72,000	71,66,000
Payment of commuted value of pensions	"	44,26,219	34,86,000	23,43,000	31,17,000
Capital outlay on Bombay Land Scheme	"	20,74,560	2,05,22,000	..	..
TOTAL CAPITAL ACCOUNT DISBURSEMENTS		35,05,96,603	34,40,68,000	32,57,36,000	38,31,88,000
Debt, Deposits and Advances—					
Floating Debt (net discharged)	C	1,94,00,000	.	.	24,75,000
Deposits and Advances (net) . . . . .	"	..	...	1,44,91,000	..
TOTAL DEBT, DEPOSITS AND ADVANCES		1,94,60,000	...	1,44,91,000	24,75,000
Loans and Advances by the Central Government (net Advances)	C	7,77,48,860	8,16,02,000	12,13,61,000	6,24,28,000
Balances of Provincial Governments (net)	"	4,77,952	13,03,000	1,50,10,000	2,58,11,000
TOTAL DISBURSEMENTS . . . . .	...	41,22,82,935	42,70,60,000	47,61,66,000	48,09,00,000
Closing Balance { India . . . . .	...	9,16,10,080	11,98,78,000	11,74,31,89	11,56,86,089
England . . . . .	..	7,54,67,402	6,61,21,007	7,19,96,602	6,38,88,402
TOTAL . . . . .	...	61,73,00,486	61,00,64,873	66,09,28,491	68,99,76,491

BUDGET FOR 1929-30.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Revenue—							
I.—Customs	48,21,41,872	...	...	48,21,41,872	50,04,18,000	...	1
II.—Taxes on Income	15,06,73,980	—34,514	—173	15,06,39,243	18,50,23,000	—13,000	2
III.—Salt	6,63,17,979	...	...	6,63,17,979	7,64,69,000	...	3
IV.—Opium	8,84,52,354	...	...	8,84,52,354	3,47,77,000	...	4
V.—Land Revenue	40,91,615	...	...	40,91,615	37,19,000	...	5
VI.—Excise	52,14,829	...	...	52,14,829	46,75,000	...	6
VII.—Stamps	26,80,116	...	...	26,80,116	30,20,000	...	7
VIII.—Forest	24,58,676	...	...	24,58,676	27,90,000	...	8
IX.—Registration	1,56,371	...	...	1,56,371	1,58,000	...	9
X.—Tributes from Indian States	83,97,385	...	...	83,97,385	74,54,000	...	10
TOTAL	76,15,84,827	—34,514	—173	76,15,80,140	79,86,77,000	—13,000	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	19,68,065	...	...	19,68,065	20,50,000	...	12
Deduct—Working Expenses	10,61,291	...	...	10,61,291	9,32,000	...	13
Net Receipts	9,01,764	...	...	9,01,764	11,50,000	...	14
XIV.—Works for which no Capital Accounts are kept	3,805	...	...	3,805	5,000	...	15
TOTAL	9,05,672	...	...	9,05,672	11,31,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts	10,82,71,016	...	...	10,82,71,016	11,23,47,000	...	17
Deduct—Working Expenses	10,46,77,830	6,72,724	2,626	10,53,53,180	10,81,68,000	7,48,000	18
Net Receipts	35,93,216	—6,72,724	—2,626	29,17,866	41,79,000	—7,46,000	19
Indo-European Telegraph Department—Gross Receipts	10,41,915	10,00,962	3,114	34,06,321	16,18,000	13,08,000	20
Deduct—Working Expenses	30,15,953	1,61,911	662	31,78,526	29,52,000	1,68,000	21
Net Receipts	—11,74,008	13,99,051	2,753	2,27,795	—13,39,000	11,20,000	22
TOTAL	24,10,298	7,28,327	126	31,15,661	28,40,000	3,74,000	23
Post Services—							
XVI.—Interest	93,61,634	2,65,16,621	1,12,317	3,61,90,602	91,83,000	2,66,32,000	24
Carried over	77,14,71,211	2,72,08,431	1,12,300	80,17,91,975	81,17,81,000	2,69,98,000	25

BUDGET FOR 1929-30.

91

Government, in India and in England.

1928-29.			Increase (+) Decrease (-) as compared with Budget, 1928-29.	BUDGET ESTIMATE, 1929-30.				Increase (+) Decrease (-) as compared with Revised, 1928-29.
Item No.	Exchange.	TOTAL.		India.	* England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	50,04,18,000	-14,19,000	51,21,77,000	...	...	51,21,77,000	+1,17,58,000
2	...	18,50,10,000	-49,48,000	18,50,00,000	...	...	18,50,00,000	+2,50,000
3	...	7,64,89,000	+64,01,000	8,34,04,000	...	...	8,34,04,000	-1,80,08,000
4	...	8,47,77,000	...	8,05,87,000	...	...	8,05,87,000	-41,89,000
5	...	37,19,000	-8,53,000	39,21,000	...	...	39,21,000	+2,02,000
6	...	48,78,000	+2,15,000	49,44,000	...	...	49,44,000	+66,000
7	...	30,30,000	+1,88,000	28,88,000	...	...	28,88,000	-1,42,000
8	...	27,60,000	-2,27,000	30,00,000	...	...	30,00,000	+2,40,000
9	...	1,59,000	-2,000	1,59,000	...	...	1,59,000	...
10	...	74,54,000	+79,000	73,85,000	...	...	73,85,000	-69,000
11	...	79,86,64,000	+74,000	79,44,25,000	...	...	79,44,25,000	-42,39,000
12	...	30,58,000	-63,000	22,65,000	...	...	22,65,000	+2,07,000
13	...	9,82,000	-43,000	9,39,000	...	...	9,39,000	+3,000
14	...	11,26,000	-1,06,000	13,36,000	...	...	13,36,000	+2,10,000
15	...	5,000	+1,000	4,000	...	...	4,000	-1,000
16	...	11,81,000	-1,05,000	13,40,000	...	...	13,40,000	+2,09,000
17	...	11,38,47,000	-15,50,000	11,79,97,000	...	...	11,80,97,000	+26,50,000
18	...	10,89,14,000	-0,02,000	10,91,28,000	7,78,000	...	11,09,06,000	-12,92,000
19	...	34,33,000	-25,31,000	65,64,000	-7,78,000	...	57,91,000	+23,54,000
20	...	20,21,000	-2,30,000	18,04,000	12,94,000	...	28,98,000	-23,000
21	...	81,40,000	+2,38,000	27,06,000	1,50,000	...	29,16,000	+2,24,000
22	...	2,10,000	+5,000	11,62,000	11,41,000	...	1,000	+2,01,000
23	...	32,11,000	-25,23,000	1,17,000	3,00,000	...	57,78,000	+25,50,000
24	...	3,57,55,000	+15,58,000	8,08,000	4,56,06,000	...	3,48,04,000	-11,91,000
25	...	88,67,64,000	+10,01,000	81,00,70,000	2,60,32,000	...	83,61,02,000	-26,02,000

BUDGET FOR 1929-30.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1927-28.				REVISED ESTIMATE,		Item No
	India.	England.	Exchange.	TOTAL.	India	England	
	Rs	Rs	Rs	Rs.	Rs	Rs	
Brought forward . . .	77,44,71,241	2,72,06,434	1,12,800	80,17,91,9.5	81,17,81,000	2,68,88,000	
Civil Administration—							
XVII—Administration of Justice . . .	3,90,765			3,90,765	3,70,000		1
XVIII—Jails and Convict Settlements . . .	4,11,285			4,11,285	3,42,000		2
XIX—Police . . .	1,93,583			1,93,583	5,16,000		3
XX—Ports and Pilotage . . .							4
XX(1)—Light houses and Light ships . . .	28,44,439			28,44,439	30,70,000		5
XXI—Education . . .	2,13,769			2,13,769	1,78,000		6
XXII—Medical . . .	4,95,794			4,95,794	3,78,000		7
XXIII—Public Health . . .	4,79,300			4,79,300	4,71,000		8
XXIV—Agriculture . . .	18,59,112			18,59,112	20,88,000		9
XXV—Industries . . .	20,156			20,156	35,000		10
XXVI—Miscellaneous Departments . . .	15,53,745			15,53,745	1,81,000		11
XXVI-A—Indian Stores Department . . .	14,07,285			14,07,285	12,52,000		12
TOTAL . . .	98,69,113			98,69,113	1,00,78,000		13
Currency and Mint—							
XXVII—Currency . . .	2,31,40,773	10,26,143	5,071	2,43,71,987	2,11,19,000	19,98,000	14
XXVIII—Mint . . .	33,74,118	13		33,74,130	37,48,000		15
TOTAL . . .	4,6,14,891	10,26,156	5,071	4,77,46,116	4,48,67,000	19,98,000	16
Civil Works—							
XXX—Civil Works . . .	16,06,953	138		16,07,091	16,03,000		17
Miscellaneous—							
XXXIII—Receipts in and of Superannuation . . .	15,91,755	3,79,570	1,843	19,71,168	1,78,000	4,41,000	18
XXXIV—Stationery and Printing . . .	16,13,788	11,898	47	16,25,733	40,43,000	35,000	19
XXXV—Miscellaneous . . .	14,32,004	2,12,313	295	16,44,615	17,54,000	9,50,000	20
TOTAL . . .	46,39,547	4,04,000	4,187	50,47,734	78,85,000	11,82,000	21
Military Receipts—							
XXXVI—Army—							
Effective . . .	41,01,850	6,10,057	7,353	47,19,260	1,79,65,000	31,22,000	22
Non-effective . . .	1,13,633	4,40,907	8,211	5,58,751	17,54,000	3,37,000	23
XXXVII—Marine . . .	14,7,272	4,55,961	14,774	1,08,58,007	1,07,19,000	16,13,000	24
XXXVIII—Military Engineer Services . . .	5,48,219			14,75,272	15,55,000	000	25
TOTAL . . .	1,07,78,774	10,79,925	14,571	1,19,73,270	35,58,000	57,69,000	26
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX-A—Miscellaneous adjustments between the Central and Provincial Governments . . .	6,10,100			6,10,100	4,00,000		27
Extraordinary Items—							
XI—Lithography . . .		14,10,400	1,000	14,11,400		1,000	28
XI A—Lithography from Provincial Executive Fund . . .	21,18,425			21,18,425			29
TOTAL . . .	21,18,425	14,10,400	1,000	22,29,825		1,000	30
Railway Revenues as per Railway Budget	3,49,99,300	14,59,000	5,000	38,77,440	39,03,66,000	12,60,000	31
TOTAL REVENUE	1,28,90,38,402	21,45,730	14,19,127	1,30,51,232	1,37,33,33,000	74,10,000	32

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1927-28				REVISED.	
	India.	England.	Exchange.	TOTAL.	India.	Item No
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues						
1.—Customs	82,93,346	1,91,220	978	84,85,534	81,39,000	1
2.—Taxes on Income	61,50,834	71,530	385	62,22,749	67,86,000	2
3.—Salt	1,24,93,442	1,86,980	679	1,26,81,061	1,22,99,000	3
4.—Opium	86,29,974	70,657	194	87,00,825	58,78,000	4
5.—Land Revenue	11,38,034	4,800	21	11,43,855	11,78,000	5
6.—Excise	12,40,183	4,388	18	12,44,589	14,35,000	6
7.—Stamps	—,06,687	—	—	—,06,687	1,24,000	7
8.—Forest	20,20,375	1,92,095	990	21,13,463	23,12,000	8
9.—Registration	26,003	—	—	26,003	30,000	9
TOTAL	4,11,92,707	6,95,410	3,255	4,18,87,372	4,02,76,000	10
Forest and other Capital outlay charged to Revenue						
3A.—Capital outlay on Salt Works	19,518	—	—	40,518	90,000	11
7A.—Capital outlay on Central Stamp Store	5,38,055	—	—	5,98,655	1,55,000	12
8A.—Forest Capital outlay	6,10,307	—	—	6,10,307	2,99,000	13
TOTAL	12,58,460	—	—	12,58,460	5,74,000	14
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	12,02,411	—	—	12,02,411	12,20,000	15
15.—Other Revenue Expenditure	3,02,872	70,295	400	3,73,467	6,65,000	16
TOTAL	15,05,283	70,295	400	15,75,951	18,85,000	17
Irrigation, etc., Capital Account (charged to Revenue)—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues	1,63,008	—	—	1,63,008	2,18,000	18
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department	55,33,044	—	—	55,33,044	62,90,000	19
Indo-European Telegraph Department	5,12,085	—	—	5,12,085	5,39,000	20
TOTAL	60,45,129	—	—	60,45,129	68,29,000	21
Posts and Telegraphs Capital Account (charged to Revenue)—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	15,77,734	—	—	15,77,734	15,22,000	22
Indo-European Telegraph Department	2,45,459	1,467	7	2,46,930	55,000	23
TOTAL	18,23,193	1,467	7	18,24,667	15,77,000	24
Debt Services—						
19.—Interest on Ordinary Debt	19,90,724	17,19,364	7,77,734	37,16,114	20,96,20,000	25
<i>Debt—Amount chargeable to—</i>						
Railways	16,57,69,658	10,12,54,959	4,97,146	26,76,21,763	17,62,24,000	26
Irrigation	12,02,411	—	—	12,02,411	12,20,000	27
Posts and Telegraphs	62,12,263	—	—	62,12,263	69,97,000	28
Other heads	13,75,280	—	—	13,75,280	19,42,000	29
Provincial Loans Fund	5,46,08,423	—	—	5,46,08,423	5,57,93,000	30
Remainder chargeable to Ordinary Debt	—,02,06,310	7,06,51,510	2,31,098	5,36,09,808	—,55,56,000	31
20.—Interest on other Obligations	5,15,30,266	1,22,266	217	5,16,52,749	6,30,46,000	32
21.—Reduction or Avoidance of Debt	—,11,13,000	—	—	—,11,13,000	—,38,000	33
TOTAL	8,20,26,956	7,98,01,770	2,51,823	16,01,19,557	5,13,28,000	34
Carried over	13,40,12,336	7,45,71,521	2,85,457	20,58,72,341	13,25,84,000	35

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

95

of the Central Government, in India and in England.

ESTIMATE, 1928-29.				BUDGET ESTIMATE, 1929-30.					
Item No.	* England.		TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1928-29.	India.	* England.		TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1928-29.
	Rs.	Rs.				Rs.	Rs.		
1	2,03,000	...	98,41,000	+ 1,35,000	97,94,000	1,48,000	...	99,82,000	+ 6,41,000
2	1,61,000	...	69,47,000	+ 6,000	71,27,000	1,11,000	...	72,38,000	+ 2,91,000
3	94,000	...	1,23,98,000	+ 1,39,000	1,29,68,000	1,04,000	...	1,30,78,000	+ 6,80,000
4	1,00,000	...	89,71,000	-31,76,000	70,44,000	83,000	...	71,01,000	+ 11,39,000
5	13,000	...	11,91,000	-7,000	11,46,000	9,000	...	11,55,000	-36,000
6	5,000	...	14,40,000	+ 1,40,000	16,40,000	5,000	...	16,38,000	+ 2,02,000
7	...	...	1,34,000	+ 46,000	87,000	...	...	87,000	-37,000
8	1,72,000	...	34,84,000	-1,43,000	34,35,000	2,04,000	...	36,39,000	+ 1,44,000
9	...	...	80,000	-1,000	80,000	...	...	80,000	...
10	7,47,000	...	4,06,28,000	-18,61,000	4,24,89,000	6,78,000	...	4,39,43,000	+ 80,16,000
11	...	...	90,000	-2,06,000	3,25,000	...	...	3,25,000	+ 2,35,000
12	...	...	1,69,000	+ 1,69,000	...	...	...	...	-1,69,000
13	...	...	2,99,000	-46,000	4,18,000	45,000	...	4,63,000	+ 1,64,000
14	...	...	8,74,000	-67,000	7,48,000	45,000	...	7,84,000	+ 2,14,000
15	...	...	12,30,000	+ 5,000	12,28,000	...	...	12,28,000	+ 5,000
16	77,000	...	7,42,000	-31,000	7,01,000	69,000	...	7,70,000	+ 38,000
17	77,000	...	19,62,000	-16,000	19,29,000	69,000	...	19,94,000	+ 36,000
18	...	...	2,15,000	-1,17,000	2,08,000	...	...	2,08,000	+ 53,000
19	...	...	62,91,000	+ 3,49,000	65,74,000	...	...	65,74,000	+ 2,84,000
20	...	...	8,39,000	+ 18,000	8,87,000	...	...	8,87,000	+ 18,000
21	...	...	98,40,000	+ 8,67,000	71,81,000	...	...	71,81,000	+ 3,03,000
22	...	...	15,22,000	-1,78,000	11,00,000	...	...	10,00,000	-8,22,000
23	5,000	...	60,000	+ 56,000	- 10,000	5,000	...	- 11,000	-71,000
24	5,000	...	16,84,000	-1,22,000	9,84,000	5,000	...	9,89,000	-5,98,000
25	17,65,77,000	...	88,51,97,000	+ 1,82,46,000	20,63,74,000	18,14,68,000	...	38,94,42,000	+ 16,46,000
26	10,36,79,000	...	37,69,08,000	-12,01,000	18,89,45,000	10,68,99,000	...	29,08,44,000	-1,06,41,000
27	...	...	12,30,000	-5,000	12,30,000	...	...	12,30,000	-8,000
28	...	...	69,97,000	-5,78,000	72,69,000	...	...	72,69,000	-3,02,000
29	...	...	19,49,000	+ 1,70,000	23,80,000	...	...	23,80,000	-3,85,000
30	...	...	5,87,98,000	-1,15,000	6,80,99,000	...	...	6,80,99,000	-32,96,000
31	7,14,98,000	...	3,93,42,000	+ 64,51,000	-4,56,17,000	7,16,69,000	...	2,60,62,000	-1,32,90,000
32	1,67,000	...	6,52,08,000	+ 10,24,000	7,23,00,000	2,07,000	...	7,26,87,000	+ 94,49,000
33	...	...	6,84,08,000	-1,16,000	8,74,79,000	...	...	8,72,79,000	+ 84,41,000
34	7,60,00,000	...	18,64,84,000	+ 79,27,000	8,11,22,000	7,44,06,000	...	15,69,86,000	-4,00,000
35	7,88,89,000	...	20,84,73,000	+ 68,11,000	13,64,45,000	7,66,80,000	...	21,11,06,000	+ 26,22,000

BUDGET FOR 1929-30.

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1927-28.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,40,13,386	7,45,74,521	2,55,457	20,58,72,344	13,25,84,000	
Civil Administration—						
22.—General Administration	1,35,77,755	36,24,964	15,279	1,72,17,998	1,39,13,000	1
23.—Audit	4,05,597	4,01,047	2,189	8,06,834	85,00,000	2
24.—Administration of Justice	13,72,337	17,502	72	13,90,211	13,40,000	3
25.—Jails and Convict Settlements	34,20,754	74,997	349	34,96,100	34,74,000	4
26.—Police	67,33,436	1,65,420	798	69,00,654	72,02,000	5
27.—Ports and Pilotage	81,63,384	1,39,311	706	83,04,001	25,93,000	6
27 (1).—Light houses and Lightships	23,37,373	8,85,211	3,976	32,29,420	24,04,000	7
28.—Ecclesiastical	1,40,83,380	10,74,614	0,456	1,57,74,479	1,38,41,000	8
29.—Political	2,48,69,978	97,715	308	2,49,68,001	2,59,19,000	9
29-A.—Frontier Watch and Ward	78,74,621	11,13,789	1,315	90,93,735	79,78,000	10
30.—Scientific Departments	47,98,469	66,583	414	48,65,506	44,70,000	11
31.—Education	27,41,822	2,53,257	1,342	29,96,521	28,28,000	12
32.—Medical	15,76,827	93,546	449	16,70,822	16,18,000	13
33.—Public Health	17,49,020	1,50,689	670	19,00,379	25,40,000	14
34.—Agriculture	14,73,334	34,377	203	15,07,914	7,03,000	15
35.—Industries	10,10,145	5,892	19	10,16,056	5,24,000	16
36.—Aviation	9,84,515	1,96,494	1,181	11,86,170	10,87,000	17
37.—Miscellaneous Departments	10,46,384	49,248	56	10,96,318	18,11,000	18
37-A.—Indian Stores Department						19
TOTAL	10,35,31,181	85,07,796	38,512	11,30,77,789	10,41,45,000	
Currency and Mint—						
38.—Currency	37,09,086	33,88,469	21,223	71,18,788	35,51,000	20
39.—Mint	15,85,265	62,343	348	16,47,956	26,97,000	21
TOTAL	52,94,351	34,50,812	21,571	87,66,714	61,08,000	22
Civil Works—						
41.—Civil Works	1,57,58,904	84,408	891	1,58,47,093	1,70,11,000	23
Miscellaneous—						
43.—Famine Relief and Insurance—						
A.—Famine Relief	999			999		24
44.—Territorial and Political Pensions	27,13,506	1,40,754	699	28,60,958	28,16,000	25
45.—Superannuation Allowances and Pensions	14,71,041	2,34,79,517	1,02,702	2,50,53,250	13,44,000	26
46.—Stationery and Printing	21,10,705	5,13,973	1,513	26,26,191	49,72,000	27
47.—Miscellaneous	51,84,307	13,13,828	7,601	65,04,826	59,60,000	28
TOTAL	1,14,80,608	2,54,53,072	1,13,512	3,70,46,323	1,49,92,000	29
Miscellaneous capital expenditure charged to Revenue—						
45-A.—Commuted value of pensions financed from Ordinary Revenue	4,41,404			4,41,404	6,30,000	30
Military Services—						
48.—Army—						
Effective	35,37,96,551	7,43,56,429	4,39,948	42,65,33,225	36,72,96,000	31
Non-effective	2,38,14,221	1,81,81,526	2,30,342	8,22,26,092	5,43,50,000	32
49.—Marine	38,70,10,072	12,25,67,055	5,70,290	51,07,47,317	40,15,78,000	33
50.—Military Engineer Services	47,02,845	29,16,181	16,314	76,36,040	55,59,000	34
	4,46,56,011	3,24,250	—334	4,50,09,936	4,42,80,000	35
TOTAL	43,60,90,928	12,54,08,655	5,56,370	56,33,94,893	45,14,51,000	36
Contributions and miscellaneous adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous adjustments between the Central and Provincial Governments	3,50,431			3,50,431	1,08,000	37
Extraordinary Items—						
52.—Extraordinary Payments	18,22,484			18,22,484	1,50,000	38
52-I.—Transfers to Revenue Reserve Fund					29,68,000	39
TOTAL	18,22,484			18,22,484	31,18,000	40
Railway Expenditure as per Railway Budget	20,65,18,276	11,64,58,581	5,58,570	32,39,65,397	21,52,96,000	41
TOTAL EXPENDITURE CHARGED TO REVENUE	91,62,82,608	35,47,41,655	18,03,603	1,27,26,28,351	64,54,37,000	42

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

97

of the Central Government, in India and in England—*contd.*

ESTIMATE, 1928-29.				BUDGET ESTIMATE, 1929-30.				Increase (+) or Decrease (-) as compared with Budget, 1928-29.	
Item No.	England.	Exchange.	TOTAL.	Increase (+) or Decrease (-) as compared with Budget, 1928-29.	India.	England.	Exchange.	TOTAL.	Increase (+) or Decrease (-) as compared with Budget, 1928-29.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	7,68,69,000	...	20,84,78,000	+58,11,000	13,54,45,000	7,58,60,000	...	21,11,06,000	+23,57,000
1	52,28,000	...	1,91,41,000	-14,10,000	1,45,03,000	78,00,000	...	2,21,08,000	+29,81,000
2	3,68,000	...	98,66,000	-2,88,000	97,80,000	5,97,000	...	1,01,27,000	+4,58,000
3	83,000	...	15,08,000	+87,000	14,16,000	74,000	...	14,90,000	-12,000
4	44,000	...	35,18,000	-3,95,000	41,21,000	4,000	...	41,81,000	+6,48,000
5	1,87,000	...	73,49,000	-1,08,000	74,87,000	1,92,000	...	78,88,000	+2,70,000
6	2,82,000	...	28,80,000	-5,58,000	23,81,000	2,58,000	...	26,04,000	-2,04,000
7	8,73,000	...	32,77,000	-88,000	32,81,000	5,73,000	...	32,86,000	-21,000
8	14,19,000	...	1,82,00,000	+2,00,000	1,44,57,000	13,19,000	...	1,58,76,000	+3,16,000
9	1,26,000	...	5,60,45,000	+11,87,000	2,73,86,000	1,14,000	...	4,78,00,000	+14,58,000
10	11,80,000	...	91,31,000	-5,86,000	81,80,000	13,21,000	...	94,82,000	+3,20,000
11	88,000	...	45,68,000	-71,000	62,14,000	80,000	...	62,94,000	+7,56,000
12	2,84,000	...	30,82,000	+97,000	29,18,000	4,26,000	...	31,44,000	+68,000
13	1,64,000	...	19,72,000	-50,000	20,49,000	1,13,000	...	21,62,000	+1,96,000
14	1,37,000	...	36,67,000	-1,84,000	47,02,000	1,64,000	...	45,96,000	+18,68,000
15	25,000	...	7,38,000	+2,71,000	3,40,000	14,000	...	2,94,000	-4,34,000
16	37,000	...	5,61,000	-87,000	23,72,000	61,000	...	24,33,000	+18,72,000
17	2,49,000	...	13,38,000	-1,18,600	11,81,000	1,18,000	...	13,00,000	-38,000
18	44,000	...	14,85,000	...	20,95,000	63,000	...	21,56,000	+9,00,000
19	1,07,08,000	...	11,48,83,000	-20,92,000	11,88,16,000	1,20,88,000	...	12,66,74,000	+1,18,31,000
20	9,54,000	...	45,08,000	-3,31,000	38,41,000	9,71,000	...	48,58,000	+3,50,000
21	8,22,000	...	28,79,000	+7,52,000	21,82,000	88,000	...	22,47,000	-6,12,000
22	12,76,000	...	78,84,000	+4,21,000	80,43,000	10,59,000	...	71,02,000	-3,68,000
23	1,18,000	...	1,71,24,000	-2,07,000	2,88,82,000	8,90,000	...	2,69,18,000	+8,81,000
24	...	...	...	...	...	...	...	...	...
25	1,19,000	...	29,55,000	-25,000	31,14,000	1,19,000	...	12,83,000	+2,98,000
26	2,37,9,000	...	2,49,8,000	+4,12,000	16,78,000	2,29,48,000	...	2,48,24,000	-4,68,000
27	6,54,000	...	86,98,000	-80,000	42,05,000	8,88,000	...	80,61,000	-8,18,000
28	16,40,000	...	78,00,000	+6,81,000	54,09,000	18,88,000	...	72,41,000	-5,87,000
29	3,61,23,000	...	4,11,14,000	+9,88,000	1,43,08,000	2,57,00,000	...	4,00,03,000	-10,81,000
30	...	...	6,30,000	-2,80,000	6,30,000	...	...	6,30,000	...
31	8,08,20,000	...	44,81,16,000	+37,19,000	36,00,42,000	5,57,66,000	...	44,87,07,000	-14,08,000
32	4,92,08,000	...	8,48,84,000	-4,08,000	7,41,70,000	1,90,01,000	...	8,36,71,000	+1,63,000
33	15,00,38,000	...	53,16,04,000	+33,11,000	30,50,12,000	13,53,68,000	...	53,08,79,000	-12,56,000
34	28,08,000	...	88,97,000	-1,22,000	82,82,000	28,00,000	...	82,23,000	-1,75,000
35	3,87,000	...	4,48,43,000	+10,41,000	4,08,57,000	3,14,000	...	4,72,71,000	+68,88,000
36	13,31,93,000	...	58,43,44,000	+42,32,000	44,72,61,000	13,69,10,000	...	58,58,71,000	+12,37,000
37	...	...	1,00,000	+1,08,000	...	...	...	...	-1,08,000
38	...	...	1,80,000	-3,00,000	2,25,000	...	...	4,25,000	+75,000
39	...	...	29,81,000	+29,63,000	...	...	...	2,25,000	-29,68,000
40	...	...	31,11,000	+29,63,000	2,25,000	...	...	...	-29,68,000
41	11,92,29,000	...	33,45,24,000	+43,24,000	22,10,12,000	13,11,16,000	...	34,30,28,000	+85,04,000
42	36,68,50,000	...	1,31,19,67,000	+1,69,98,000	98,62,87,000	37,58,48,000	...	1,34,06,33,000	+2,86,68,000

C.—Statement of Receipts and Disbursements of the

	Accounts, 1927-28.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A) . . .	1,23,90,38,402	3,34,45,730	1,27,21,84,132
Exchange added to Revenue . . .	1,44,219	...	1,44,219
TOTAL . . .	1,23,91,82,621	3,34,45,730	1,27,26,28,351
Railway Capital not charged to Revenue—			
As per Railway Budget . . .	21,594	...	21,594
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
New Sterling loan . . .	..	..
5½ per cent. Stock . . .	..	13,82,880	
4½ per cent. Stock . . .	..	9,26,80,324	
<i>Rupee Debt—</i>			
New Rupee Loan . . .	..	..
4½ per cent. Bonds, 1931 . . .	...	...
Do. Loans, 1955-60 . . .	..	...
4 per cent. Loan, 1960-70 . . .	...	..
Do. 1931-37 . . .	19,53,79,100	..	
3½ per cent. Loans . . .	11,40,000	..	
TOTAL . . .	19,65,59,100	9,12,63,204	29,08,22,304
Floating Debt—			
<i>Treasury Bills—</i>			
Issued to Public . . .	30,37,55,000	..	
Issued to Paper Currency Reserve . . .	51,71,60,000	..	
India Bill . . .	..	8,66,80,667	
Temporary Loans . . .	5,00,00,000	..	
TOTAL . . .	87,08,95,000	8,66,80,667	98,75,61,667
Carried over . . .	2,30,66,58,315	19,43,75,601	

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

99

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,35,33,000	3,84,84,000	1,31,19,67,000	1,80,17,04,000	3,84,31,000	1,34,06,33,000
...
1,27,35,33,000	3,84,34,000	1,31,19,67,000	1,30,17,94,000	3,84,39,000	1,34,06,33,000
...	83,14,000	83,14,000	..	2,05,10,000	2,05,10,000
...	...	..	..	7,02,67,000	..
..	16,84,000	..	..	17,00,000	..
..	12,30,65,000	..	..	18,21,000	..
...	...	..	18,00,00,000	...	..
25,98,05,000	...	..	...	...	..
9,05,70,000	...	..	...	...	..
...
10,00,000	...	..	12,00,000	...	..
35,19,75,000	12,47,49,000	47,67,24,000	18,12,00,000	7,38,78,000	25,50,78,000
...
25,38,00,000	...	..	18,00,00,000	..	..
78,15,10,000	...	..	39,15,30,000	..	..
...	9,00,00,000	..	...	...	..
22,50,00,000	..	..	...	..	..
1,18,32,10,000	9,00,00,000	1,26,32,10,000	57,15,30,000	...	57,15,30,000
2,40,47,18,000	25,11,97,000	...	2,05,45,21,000	13,92,36,000	...

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	2,30,66,58,315	19,48,75,601	
Unfunded Debt—			
Deposits of Service Funds	10,22,266	5,09,320	
Post Office Cash Certificates	6,08,55,107	...	
Savings Bank Deposits	33,43,88,895	—16,01,072	
	—	—	
TOTAL	39,62,66,268	—10,91,752	39,51,74,516
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	16,25,01,486	...	
Other Funds	9,88,87,719	...	
Road Development Fund . . . . .	...	...
Sinking Funds for Central Loans	1,47,17,680	...	
Other appropriations for Reduction or Avoidance of Debt	3,68,39,000	...	
Sinking Fund Investment Account	1,26,62,210	...	
Sinking Funds for loans granted to local bodies	3,80,418	...	
Gold Standard Reserve . . . . .	..	88,31,35,319	
Paper Currency Reserve . . . . .	..	19,56,82,092	
Deposits of Branch Line Companies	6,59,469	...	
Posts and Telegraphs Depreciation Fund	37,75,778	..	
Provincial Loans Fund	14,04,39,484	...	
Departmental and Judicial Deposits	86,10,74,133	...	
Advances	16,47,07,500	7,87,978	
Discount Sinking Fund	4,37,000	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve	7,09,46,509	...	
Suspense	58,73,263	—3,94,395	
Exchange on Remittance Accounts	24,58,156	...	
Miscellaneous	45,12,187	1,49,86,832	
Revenue Reserve Fund . . . . .	...	...
	—	—	
TOTAL	1,58,83,71,942	1,09,41,97,826	2,68,25,69,768
Railway Depreciation and Reserve Funds as per Railway Budget	15,94,62,451	..	15,94,62,451
Carried over	1,45,07,58,976	1,28,74,81,675	

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

161

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	† England.	TOTAL.	India	† England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,80,87,18,000	25,14,97,000	...	2,05,45,24,000	13,92,38,000	
9,96,000	5,73,000		9,76,000	6,52,000	
1,86,00,000	...		4,62,00,000	...	
36,60,49,000	26,21,000		38,84,23,000	6,78,000	
41,56,45,000	31,94,000	41,88,39,000	48,55,99,000	13,30,000	48,69,29,000
16,78,66,000	...		18,83,95,000	..	
10,23,40,000	...		10,06,21,000	..	
6,00,000	...		83,30,000	...	
1,53,69,000	...		1,60,63,000	...	
4,02,34,000	...		4,36,75,000	...	
2,63,76,000	...		...	...
3,96,000	...		4,12,000	...	
...	60,13,20,000		...	42,90,56,000	
...	80,87,44,000		...	33,22,68,000	
5,00,000	...		5,00,000	...	
39,94,000	...		42,94,000	...	
18,42,99,000	...		30,36,85,000	...	
95,54,04,000	...		90,86,60,000	...	
29,74,83,000	3,18,000		21,07,08,000	1,04,000	
17,88,000	...		29,27,000	...	
2,63,91,000	5,35,000		4,51,06,000	5,43,000	
2,84,000	1,55,12,000		2,00,000	1,52,11,000	
29,63,000	...		...	...
1,82,08,07,000	92,42,29,000	2,75,25,16,000	1,81,85,26,000	77,71,82,000	2,59,07,08,000
15,45,14,000	..	15,45,14,000	15,85,73,000	...	15,85,73,000
5,10,49,64,000	1,18,11,20,000		4,46,22,22,000	91,77,48,000	

BUDGET FOR 1929-30.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,45,07,58,970	1,28,74,81,675	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	1,03,06,653	...	
Other Loans and Advances . . . . .	...	...
TOTAL	1,03,06,653	...	1,03,06,653
Remittances—			
Remittances within India—			
Inland Money Orders	96,51,73,536	...	
Other Local Remittances . . . . .	...	...
Other Departmental Accounts	6,02,444	...	
Net Receipts by Civil Treasuries from—			
Railways	3,83,57,538	...	
Posts and Telegraphs	3,06,83,848	...	
Net Receipts from Civil Treasuries by—			
Army, Marine and Military Engineer Services	39,72,72,016	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings . . . . .	...	1,11,45,000	
Sale of Silver . . . . .	...	1,48,83,975	
Other transactions	2,58,41,301	1,86,51,416	
Remittances from India for financing			
Home Treasury . . . . .	...	37,76,68,667	
Transfer through the Paper Currency Reserve	3,77,16,224	7,42,88,515	
TOTAL	1,50,48,51,932	52,61,38,573	2,03,07,90,505
Balances of Provincial Governments	3,22,37,581	—	3,22,37,581
TOTAL RECEIPTS	5,00,79,55,144	1,61,36,20,248	
Opening Balance	27,87,75,069	(a) 4,31,13,304	
GRAND TOTAL	6,27,67,30,213	1,65,67,33,552	

* Sterling converted into Rupees at £1 = Rs. 13½.

(a) Of this amount, £183 represents the funds of the Gold Standard Reserve.

BUDGET FOR 1929-30.

108

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,20,49,64,000	1,18,11,20,000		4,40,22,22,000	91,77,18,000	
...	...				
86,74,000	...		7,00,96,000	...	
	...		85,39,000	...	
86,74,000	...	86,74,000	7,86,35,000	...	7,86,35,000
98,25,00,000	...		99,85,00,000	...	
2,63,000	...		2,18,000	...	
3,13,56,000	...		3,40,58,000	...	
4,21,12,000	...		5,90,99,000	...	
1,63,49,000	...		92,98,000	...	
38,80,80,000	...		38,10,59,000	...	
...	98,00,000		...	80,00,000	
...	3,83,68,000		...	26,68,000	
1,26,09,000	3,66,86,000		1,06,44,000	3,00,86,000	
...	39,00,00,000		...	47,00,00,000	
4,33,68,000	...		20,65,000	...	
1,51,96,37,000	40,98,54,000	1,98,94,91,000	1,40,61,44,000	51,07,84,000	2,00,71,78,000
2,26,46,000	...	2,26,46,000	94,98,000	..	94,98,000
6,75,59,21,000	1,65,09,74,000		6,04,67,90,000	1,12,84,82,000	
9,16,10,089	(b) 7,54,87,102		11,73,13,000	(b) 7,20,96,102	
6,84,75,31,089	1,72,64,61,402		6,16,41,62,089	1,50,14,78,402	

(b) Of this amount, £4,028 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

ACCOUNTS, 1927-28.			
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B) . . .	91,62,82,893	35,47,41,855	1,27,10,24,748
Exchange charged as Expenditure . . .	16,08,603	...	16,03,603
TOTAL . . .	91,78,86,496	35,47,41,855	1,27,26,28,351
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
CAPITAL OUTLAY ON SECURITY PRINTING PRESS	—9,76,514	.	—9,76,514
CONSTRUCTION OF IRRIGATION WORKS	6,751	.	6,751
CAPITAL OUTLAY ON POSTS AND TELEGRAPHS	33,14,984	13,73,013	46,87,947
CAPITAL OUTLAY ON VIZAGPATAM PORT	27,56,731	1,48,223	29,04,954
CAPITAL OUTLAY OF LIGHT-HOUSES AND LIGHT SHIPS . . . . .	...	..	..
CURRENCY CAPITAL OUTLAY	8,45,755	4,48,822	12,94,577
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	40,85,594	5,72,138	46,57,732
PAYMENT OF COMMUTED VALUE OF PENSIONS	44,26,219	..	44,26,219
CAPITAL OUTLAY ON BOMBAY LAND SCHFMS	20,74,500	...	20,74,500
TOTAL	1,65,33,970	25,42,196	1,90,76,166
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	18,62,58,119	14,52,62,318	33,15,20,437
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
7 p. c. Stock . . . . .	...	13,520	
State Railway annuities . . . . .	...	1,85,85,572	
Do. Do. Sinking Funds . . . . .	.	26,66,667	
Redemption of liabilities assumed in respect of British War Loan (1929-17) . . . . .	..	71,68,132	
<i>Rupee Debt—</i>			
6 p. c. Bonds, 1926	15,23,700	...	
Do. Do. 1927	17,38,22,700	...	
Other 6 p. c. Bonds . . . . .	..	...
5½ p. c. War Bonds, 1925	4,12,25,700	...	
Other 5½ p. c. War Bonds	1,94,275	...	
4 p. c. Terminable Loan	33,700	...	
Other Loans	13,80,354	..	
TOTAL	21,84,70,129	2,84,63,891	24,69,34,320
Carried over	1,33,91,49,014	53,10,10,260	

*Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

105

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
94,54,87,000	86,65,30,000	1,81,19,67,000	96,52,87,000	87,53,46,000	1,84,06,33,000
...
94,54,87,000	86,65,30,000	1,81,19,67,000	96,52,87,000	87,53,46,000	1,84,06,33,000
—4,48,000	...	—4,48,000	45,000	...	45,000
1,16,000	...	1,16,000	1,19,000	...	1,99,000
48,75,000	10,62,000	59,37,000	51,79,000	13,31,000	68,13,000
28,91,000	3,09,000	32,00,000	39,44,000	56,000	40,00,000
...	...	...	8,000	...	8,000
2,53,000	49,000	3,02,000	12,000	40,000	52,000
44,44,000	5,28,000	49,72,000	65,76,000	5,90,000	71,66,000
38,43,000	...	38,43,000	31,17,000	..	31,17,000
...
1,54,74,000	19,48,000	1,74,22,000	1,98,80,000	20,20,000	2,14,00,000
16,00,00,000	14,83,14,000	30,83,14,000	16,50,00,000	13,67,86,000	36,17,86,000
...	22,000	...	...	...	...
...	1,92,29,000	...	..	1,98,95,000	...
..	26,67,000	...	..	26,67,000	...
...	75,22,000	...	...	78,94,000	...
6,00,000	..	...	2,00,000	..	...
14,00,000	...	...	5,00,000	...	...
...
16,41,32,000	..	...	10,00,000	..	...
3,20,000	...	...	2,90,000	...	...
50,000	...	...	30,000	...	...
18,74,000	..	...	14,00,000	...	...
16,88,76,000	2,94,40,000	19,78,16,000	34,20,000	3,04,56,000	3,38,76,000
1,28,92,87,000	54,62,32,000	...	1,15,30,87,000	60,46,08,000	...

BUDGET FOR 1929-30.

C.—Statement of Receipts and Disbursements of the

ACCOUNTS, 1927-28.

	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,38,91,49,014	53,10,10,260	
Floating Debt—			
Treasury Bills—			
Issued to Public	22,78,75,000	...	
Do. Paper Currency Reserve	61,24,80,000	6,66,66,667	
India Bills . . . . .	...	...
Temporary Loans	5,00,00,000	...	
TOTAL	89,08,55,000	6,66,66,667	95,70,21,667
Unfunded Debt—			
Special Loans	16,185	...	
Deposits of Service Funds	13,96,133	37,237	
Post Office Cash Certificates	2,03,47,812	...	
Savings Bank Deposits	25,43,96,856	16,805	
TOTAL	27,64,56,996	54,012	27,65,11,038
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	16,65,02,225	...	
Other Funds	9,81,30,074	...	
Roads Development Fund . . . . .	...	...
Sinking Fund Investment Account	2,73,82,073	...	
Gold Standard Reserve . . . . .	...	88,30,84,019	
Paper Currency Reserve . . . . .	...	15,56,82,092	
Deposits of Branch Line Companies	5,98,548	...	
Posts and Telegraphs Depreciation Fund	2,70,875	...	
Provincial Loans Fund	14,01,10,423	...	
Departmental and Judicial Deposits	86,88,61,772	...	
Advances	15,51,55,837	3,90,932	
Discount Sinking Fund	1,07,15,551	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve . . . . .	...	...
Suspense	1,50,19,350	3,86,246	
Miscellaneous	32,56,413	1,50,47,829	
Revenue Reserve Fund	2,21,18,125	...	
TOTAL	1,50,89,31,905	1,09,45,91,147	2,60,35,23,052
Railway Depreciation and Reserve Funds as per Railway Budget	10,95,12,572	..	10,95,12,572
Carried over	4,12,44,05,187	1,69,23,22,116	

* Sterling converted into Rupees at £1 = Rs. 13½.

BUDGET FOR 1929-30.

107

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1928-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,28,92,87,000	54,62,32,000		1,15,30,87,000	10,41,08,000	
23,02,00,000	...		18,94,75,000	..	
63,22,60,000	...		39,15,50,000	..	
22,50,00,000	8,00,00,000		...	..
	
1,11,74,60,000	8,00,00,000	1,19,74,60,000	58,10,05,000	..	58,10,05,000
32,000	...		18,000	..	
14,38,000	47,000		11,71,000	54,000	
3,26,00,000	...		4,02,00,000	..	
29,88,97,000	...		20,28,14,000	...	
33,29,67,000	47,000	33,30,14,000	33,45,41,000	54,000	33,45,41,000
17,22,32,000	...		17,02,44,000	...	
10,39,40,000	...		10,21,21,000	...	
...	...		40,00,000	...	
4,17,45,000	...		1,60,63,000	...	
...	60,13,20,000		...	42,50,56,000	
...	130,87,44,000		...	33,22,68,000	
6,00,000	...		5,00,000	...	
1,27,000	...		2,22,000	...	
18,42,18,000	...		30,35,03,000	...	
94,22,00,000	...		90,81,59,000	...	
29,90,44,000	2,61,000		20,86,72,000	1,04,000	
1,19,29,000	...		...	..
3,29,47,000	...		23,00,000	...	
5,07,51,000	5,36,000		2,28,19,000	5,38,000	
7,18,000	1,56,95,000		...	1,52,11,000	
...	...		80,61,000	...	
1,81,04,51,000	92,65,56,000	2,76,70,07,000	1,71,76,52,000	77,71,75,000	2,52,48,27,000
9,50,00,000	..	9,50,00,000	10,50,00,000	...	10,50,00,000
4,67,51,65,000	1,55,28,35,000		3,92,12,85,000	1,38,18,87,000	

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1927-28.		
	India.	* England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,12,44,05,487	1,69,23,22,116	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	6,16,99,000	...	
Other Loans and Advances	2,63,56,035	...	
TOTAL	8,80,55,085	...	8,80,55,085
Remittances—			
Remittances within India—			
Inland Money Orders	96,74,35,226	...	
Other Local Remittances	1,74,819	...	
Other Departmental Accounts	2,623	...	
Net Payments into Civil Treasuries by—			
Railways	8,55,87,718	...	
Posts and Telegraphs	3,96,84,857	...	
Net Issues from Civil Treasuries to—			
Army, Marine and Military Engineer Services	39,77,98,546	...	
Remittances between England and India—			
Remittance Account—			
Imq drawings	1,10,45,000	1,00,000	
Sale of Silver	1,43,83,975	...	
Other transactions	5,45,91,656	1,83,92,277	
Remittances from India for financing Home Treasury	37,76,66,667	...	
Transfers through the Paper Currency Reserve	7,42,88,515	3,77,16,224	
TOTAL	1,97,26,59,602	5,62,08,501	2,02,88,68,103
Balances of Provincial Governments	...	3,27,15,533	3,27,15,533
TOTAL DISBURSEMENTS	6,18,51,20,124	1,78,12,46,150	
Closing Balance	9,16,10,089	(b) 7,54,87,402	
GRAND TOTAL	6,27,67,30,213	1,85,67,33,552	

*Sterling converted into Rupees at £1 = Rs. 13½.

(b) Of this amount, £4,028 represents the

BUDGET FOR 1929-30.

109

Central Government, in India and in England—*concl'd.*

REVISED ESTIMATE, 1928-29.			BUDGET ESTIMATE, 1929-30.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,67,51,65,000	1,55,28,35,000		3,92,12,85,000	1,38,18,37,000	
10,60,98,000	...		11,53,88,000	...	
2,88,37,000	...		2,46,80,000	...	
12,99,35,000	...	12,99,35,000	14,10,68,000	...	14,10,68,000
98,09,00,000	...		99,58,50,000	...	
2,85,000	...		2,79,000	...	
3,44,14,000	...		3,40,89,000	...	
4,21,12,000	...		5,90,99,000	...	
1,68,49,000	...		92,98,000	...	
38,80,80,000	...		38,19,59,000	...	
98,00,000	...		80,00,000	...	
3,38,68,000	...		26,68,000	...	
2,97,60,000	1,95,35,000		2,24,34,000	1,82,76,000	
39,00,00,000	...		47,00,00,000	...	
...	4,38,68,000		...	29,68,000	
1,92,50,68,000	6,29,03,000	1,98,79,71,000	1,98,61,26,000	2,00,14,000	2,00,70,70,000
...	3,77,27,000	3,77,27,000	...	3,53,00,000	3,58,00,000
6,73,01,68,000	1,65,34,65,000		6,04,84,74,000	1,43,80,90,000	
11,73,63,089	(b) 7,29,06,402		11,56,88,089	(b) 6,33,88,402	
6,84,75,31,089	1,72,64,61,402		6,16,41,62,089	1,50,14,78,402	

funds of the Gold Standard Reserve.

BUDGET FOR 1929-30.

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England.

Revenue and Expenditure.	ACCOUNTS, 1927-28		REVISED ESTIMATE, 1928-29.		BUDGET ESTIMATE, 1929-30.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	47,36,60,308	...	48,10,77,000	...	50,21,95,000	...
Taxes on Income	14,40,53,124	...	15,80,68,000	...	15,87,22,000	...
Salt	5,80,66,898	...	6,40,76,000	...	5,08,91,000	...
Opium	3,07,51,429	...	2,58,04,000	...	2,81,56,000	...
Other Heads	1,75,00,369	...	1,57,21,000	...	1,57,15,000	...
TOTAL	71,90,02,168	..	75,77,41,000	...	75,04,82,000	...
Forest and other Capital Outlay charged to Revenue . . . . .	...	12,58,460	...	5,74,000	...	7,88,000
Irrigation . . . . .	..	5,38,387	...	10,48,000	...	9,38,000
Railways	6,47,88,052	..	5,45,76,000	...	6,24,72,000	...
Posts and Telegraphs . . . . .	...	47,27,715	...	51,97,000	...	23,47,000
Debt Services . . . . .	...	11,68,22,955	...	12,06,33,000	...	12,11,24,000
Civil Administration . . . . .	...	10,22,65,656	...	10,47,71,000	...	11,34,48,000
Currency and Mint	1,80,78,402	...	1,94,60,000	...	2,34,75,000	...
Civil Works . . . . .	...	1,42,40,007	..	1,55,21,000	...	2,40,90,000
Miscellaneous . . . . .	...	3,22,41,283	...	7,29,29,000	...	3,21,49,000
Military Services . . . . .	...	54,70,45,551	..	55,10,00,000	...	57,10,00,000
Provincial Contributions and Miscellaneous adjustments between Central and Provincial Governments.	2,69,699	...	3,42,000	...	...	...
Extraordinary Items	2,17,37,863	...	...	4,45,000	1,17,44,000	...
TOTAL	52,34,22,204	52,34,22,204	53,21,19,000	53,31,19,000	54,31,73,000	54,31,73,000

BUDGET FOR 1929-30.

111

1.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concl'd.*

Revenue and Expenditure.	ACCOUNTS, 1927-28.		REVISED ESTIMATE, 1928-29.		BUDGET ESTIMATE, 1929-30.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus. . . . .	..	..	..	..	..	..
Capital Accounts—						
Capital outlay on Security Printing Press . . . . .	..	—9,76,814	..	—4,18,000	..	48,000
Railway Capital not charged to Revenue . . . . .	..	2,14,97,513	..	20,00,00,000	..	33,51,67,000
Construction of Irrigation Works . . . . .	..	6,771	..	1,12,000	..	1,99,000
Capital outlay on Posts and Telegraphs . . . . .	..	19,57,947	..	19,37,000	..	68,12,000
Capital outlay on Vizagapatam Port . . . . .	..	29,04,874	..	22,00,000	..	50,00,000
Capital outlay on Lighthouses and Light ships . . . . .	..	..	..	..	..	8,000
Currency Capital outlay . . . . .	..	1,39,577	..	5,07,000	..	52,000
Initial expenditure on New Capital at Delhi . . . . .	..	19,72,772	..	10,72,000	..	71,65,000
Payment of committed value of pensions . . . . .	..	44,36,319	..	33,43,000	..	31,17,000
Capital Outlay on Bombay Land Scheme . . . . .	..	20,74,500	..	..	..	..
Debt, Deposits, Advances and Remittances—						
Permanent Debt	4,39,77,924	..	27,89,07,000	..	22,12,02,000	..
Floating Debt . . . . .	..	194,00,000	6,57,50,000	..	..	94,78,000
Unfunded Debt	11,80,03,477	..	8,78,07,000	..	10,23,94,000	..
Deposits and Advances	12,99,89,595	..	4,50,03,000	..	11,94,74,000	..
Loans and Advances by Central Government . . . . .	..	7,77,48,700	..	12,12,61,000	..	6,24,86,000
Remittances	10,44,472	..	15,20,000	..	1,07,000	..
Balances of Provincial Governments. . . . .	..	4,77,862	..	1,50,51,000	..	2,58,11,000
Opening Balance	34,18,87,971	..	16,70,97,491	..	19,09,70,491	..
Closing Balance . . . . .	..	16,70,97,491	..	18,03,79,491	..	17,90,76,491
TOTAL	61,57,58,832	61,53,88,632	64,41,33,491	64,41,23,491	63,94,87,491	63,34,57,491

Explanatory Memorandum

by the
Financial Secretary.

(The amounts in the tables are in lakhs of rupees unless otherwise stated.)

The following table compares the total recorded revenue and expenditure of the Government of India in the year 1927-28 with the budget and revised estimates for the year:—

	Budget.	Revised.	Accounts.
Revenue	1,25,25·65	1,27,73·98	1,27,26·28
Expenditure	1,25,25·65	1,27,73·98	1,27,26·28
Surplus . . . . .	..	..	..

The figures of revenue, however, include transfers from the Revenue Reserve Fund. The totals, exclusive of such transfers, compare as follows:—

	Budget.	Revised.	Accounts.
Revenue	1,23,54·00	1,26,05·25	1,25,04·80
Expenditure	1,25,25·65	1,27,73·98	1,27,26·28
Deficit	1,71·65	1,68·73	2,21·48

2. Thus the deterioration in the revenue position as compared with the revised estimate is 52·75 lakhs and is mainly accounted for by the fact that land customs collections at Viramgam to the extent of 40 lakhs, which were due in 1927-28, could not be recovered till some time in the current year. There was also a large drop of 58 lakhs in the collections of taxes on income towards the close of the year, but this was made up to a large extent by improvements under other heads none of which, however, is important enough to need special mention.

3. The following statement compares the actual revenue and expenditure of the Central Government with the revised estimates from 1921-22 onwards. The figures again are exclusive of transfers from and to the Revenue Reserve Fund which have been brought together in paragraph 5.

Year.	Revised estimate.			Actuals.			Actual out-turn better +, worse—, than Revised estimate.
	Revenue.	Expenditure.	Surplus (+) Deficit (—).	Revenue.	Expenditure.	Surplus (+) Deficit (—)	
1921-22	1,13,15·92	1,41,94·52	—28,79·20	1,15,21·50	1,42,86·52	—27 65·02	+1,14·18
1922-23	1,20,70·17	1,37,95·52	—17 25·35	1,21,41·29	1,36,43·05	—15,01·76	+2,23·59
1923-24	1,31,96·04	1,29,89·97	+2 06·07	1,33 16·63	1,30,77·63	+2,39·00	+32·93
1924-25	1,34,82·26	1,30 82·68	+3,99·58	1,33,03·92	1,32,35·66	+5,68·26	+1,68·68
1925-26	1, 1, 1, 3, 2, 1, 30,04 87		+1,30·38	1,33,32·94	1,30,01·80	+3,31·14	+3,30·80
1926-27	1,29,97·45	1,27,15·44	+2,82·04	1,31,70·00	1,24,74·37	+7,95·63	+6,95·63
1927-28	1,26,05·25	1,27,73·98	—1,68·73	1,25,04·80	1,27,26·28	—2,21·48	—2,21·48

The real surplus of the year 1923-24 was as high as 0.62 lakhs, but this was reduced to 2.39 lakhs as shown above as a result of the adjustment, against the revenues of the year, of 82 lakhs on account of the discount on the year's rupee loan and 3.41 lakhs on account of Persian debt,—vide paragraph 11 of the Finance Member's budget speech of the 28th February 1925. It will be clear, therefore, that the estimating has, during the last two years, been less conservative and, on the whole, nearer the mark than it used to be before.

4. The broad results of our estimating for the current year and the next are as follows :—

	Budget, 1928-29.	Revised, 1928-29.	Budget, 1929-30.
Revenue	1,29,64.75	1,31,19.67	1,34,06.33
Expenditure	1,29,59.69	1,31,19.67	1,34,06.33
Surplus	5.06	..	..

If we omit the transfers from the Revenue Reserve Fund, we have the following totals which reveal the true position :—

	Budget, 1928-29.	Revised, 1928-29.	Budget, 1929-30.
Revenue	1,29,64.75	1,31,19.67	1,33,16.64
Expenditure	1,29,59.69	1,30,90.04	1,34,06.33
Surplus +, Deficit —	5.06	29.63	—89.69

The revised estimate for the current year thus looks 25 lakhs better than the original budget while the budget estimate for next year shows a deficit of about 90 lakhs. As explained in paragraph 16, however, salt revenue to the extent of 65 lakhs, which would normally have been received in 1929-30, is expected to be realised in 1928-29 and but for this abnormal circumstance, the revised estimate would have shown a deficit of about 35 lakhs and the budget of about 25 lakhs.

5. It has been decided that the surplus of 1928-29 should be carried to the Revenue Reserve Fund and that the deficit of 1929-30 should be met from the same source. The transactions relating to the Fund will then be as follows :—

Year.	Transactions.	Closing balance.
1926-27	— 2,95.63	2,95.63
1927-28	— 2,21.48	74.15
1928-29	29.63	1,03.78
1929-30	—89.69	14.09

6. The details of the railway figures embodied in the budget statements have been explained already in a separate memorandum. Those relating to the military heads will be found in Appendix I. For the rest, the details are given in the following paragraphs.

CUSTOMS.

		Revenue (Receipts less Refunds.)	Expenditure.	Net revenue.
1925-26	. . . . .	47,77.95	81.77	46,96.18
1926-27	. . . . .	47,38.11	81.27	46,56.84
1927-28	. . . . .	49,21.42	84.82	47,36.60
1928-29	{ Budget	50,15.37	89.06	49,29.31
	{ Revised	50,01.15	93.41	49,10.77
1929-30	Budget	51,21.77	99.82	50,21.95

7. The present estimates of revenue include 6 lakhs in 1928-29 and 83.30 lakhs in 1929-30, being the anticipated proceeds of the enhancements, from 4 annas to 6 annas a gallon, of the import and excise duties on motor spirit in accordance with the recommendations of the Indian Road Development Committee. These proceeds do not, however, affect the revenue position of the Central Government as they are transferred to a Road Development Fund by debit to the Civil Works head. If, then, these amounts are excluded, the estimates stand as follows :—

Revised, 1928-29	. . . . .	49,98.18
Budget, 1929-30	. . . . .	50,38.47

8. The revised estimate as thus corrected falls short of the original budget by 20 lakhs, and this, notwithstanding a large improvement of 70 lakhs under sugar, conditions relating to the import of which have latterly been very favourable; of 28 lakhs from mineral oil under the stimulus of the price war which has since ended; of 70 lakhs from land customs including the 40 lakhs thrown forward from last year as explained in paragraph 2—an indication of the extent to which the re-establishment of the land customs line between Kathiawar and British India in July 1927 has been instrumental in protecting the Central Government from loss; and of 20 lakhs under motor spirit as a result of the rapid expansion of motor traffic in the country. The more important decreases are 40 lakhs under cotton piece-goods for which the restriction of forward business by an important section of Calcutta merchants during the earlier portion of the year is largely responsible; 21 lakhs under matches the yield from which has rapidly dropped from 1.54 lakhs in 1922-23 to 29 lakhs in 1928-29; 42 lakhs under protective duties relating to iron and steel and 21 lakhs under Government stores, accounted for to some extent by the Belgian strike; 22 lakhs in the export duty on rice as a result of Japan's embargo on imports into that country and the growing competition of other rice-growing countries; and 17 lakhs in the excise duty on kerosene which should really be set off against the larger receipts from the import duty on mineral oils already referred to.

9. The budget estimate of revenue for next year as corrected above exceeds the revised estimate by 40 lakhs despite a fall of 80 lakhs under sugar and of 36 lakhs under land customs. The former is justified by the wide variations

which the revenue from this source has exhibited in the past, as will be apparent from the following figures :—

	Budget.	Revised.	Actuals.
1921-22	2,35	6,87	6,51
1922-23	6,25	4,65	4,41
1923-24	5,00	3,85	3,32
1924-25	4,55	5,55	5,77
1925-26	5,10	6,40	6,45
1926-27	5,70	6,95	7,01
1927-28	6,70	6,70	6,51
1928-29	7,10	7,30	
1929-30	7,00		

That the imports have been unusually large in 1928-29 is another reason for caution in framing an estimate for next year. The decrease under land customs merely represents the absence of large arrear receipts like those which helped to swell the revised estimate. The estimate, however, allows for moderate improvements under other heads, notably tobacco (18 lakhs), cotton piece-goods (20 lakhs), motor cars and cycles (17 lakhs), protective duties relating to iron and steel (28 lakhs), and export duty on rice (16 lakhs).

10. The present estimates of expenditure include 5½ lakhs in 1928-29 and 7 lakhs in 1929-30 in respect of additional customs compensations payable to certain Indian States.

11. The details are as follows :—

	1928-29.					Budget, 1929-30.
	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	Budget.	Revised.	
REVENUE.						
SEA CUSTOMS.						
IMPORTS.						
<i>Non-protective Special Duties.</i>						
Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	15 01	19 48	22 26	22 05	22 27	23 55
(b) Spirits and Liqueurs	2,11 90	2,26 04	2,15 02	2,25 50	2,13 00	2,19 00
(c) Wines	14 07	15 19	14 80	15 30	15 10	15 45
Sugar, all sorts	6,47 81	7,00 72	6,51 19	7,10 00	7,80 00	7,00 00
Tobacco	1,57 81	1,90 77	2,17 13	2,83 90	2,12 50	2,10 00
Coal, coke and patent fuel	2 03	2 56	1 00	2 25	1 14	1 97
Tin, Block . . . . .	..	..	5 20	7 75	7 28	7 73
Mineral oils	1,54 07	1,23 20	1,75 02	1,66 00	1,91 00	1,88 10
Arms, Ammunition and Military Stores	5 00	7 95	7 31	5 00	6 53	7 13

BUDGET FOR 1929-30.

117

	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	1928-29.		Budget, 1929-30.
				Budget.	Revised.	
REVENUE—contd.						
SEA CUSTOMS—contd.						
IMPORTS—contd.						
Artificial silk yarn and thread . . .	..	..	7'91	11'95	10'88	13'88
Cotton yarn and thread . . .	48'38	36'45	41'45	53'11	43'55	42'55
Cotton piece-goods . . .	6,06'55	6,21'04	6,25'17	6,00'00	6,20'00	6,40'00
Silk mixtures . . .	3'80	5'43	7'26	7'16	8'27	7'97
Matches . . .	1,18'30	89'18	53'72	50'00	29'50	25'00
Match Splints and Veneers . . .						
Portland Cement (excluding white Portland cement) . . .	..	9'06	9'96	11'06	11'90	10'90
Other Articles . . .	'02	'37	'40	'44	2'84	2'98
Duty at 2½ per cent.						
Machinery (including Locomotive Engines and tenders) . . .	43'86	39'17	22'58	'50	..	..
Other articles . . .	'87	'55	'54	'57	'41	'78
Duty at 10 per cent.						
Metals—Iron and Steel . . .	42'30	42'82	51'09	55'90	47'00	50'00
Railway plant and rolling stock . . .	58'82	24'41	23'94	30'00	20'50	25'50
Other articles . . .	1'42	1'06	1'07	2'20	'60	'99
Duty at 15 per cent.						
Articles of Food and Drink (exclud- ing sugar and vinegar) . . .	1,59'83	1,74'89	1,82'09	1,92'30	1,91'50	2,02'70
Raw materials and articles mainly unmanufactured . . .	60'72	65'17	78'85	78'60	59'50	86'14
Articles wholly or mainly manu- factured—						
(a) Cutlery, hardware, imple- ments and instruments . . .	1,20'42	1,31'52	1,37'47	1,41'97	1,51'50	1,53'50
(b) Metals other than Iron and Steel . . .	1,10'31	96'94	81'81	86'85	84'00	88'37
(c) Yarns and textile fabrics (other than cotton manu- factures) . . .	1,14'20	1,65'49	1,42'88	1,99'25	1,97'60	1,89'62
(d) Pneumatic rubber tyres and tubes . . .	16'03	38'90	29'59	38'00	33'20	37'50
(e) All other articles wholly or mainly manufactured . . .	3,99'84	4,15'91	4,14'54	4,20'00	4,13'00	4,14'00
Miscellaneous . . .	55'67	62'46	64'71	63'55	63'00	64'05
Duty at 30 per cent.						
Motor cars and cycles . . .	1 05 30	1 04 95	89'54	1,16'00	1,01'00	1,21'00
Duty at 50 per cent.						
Silk piece-goods and other manu- factures of silk . . .	74'16	78'34	98'21	83'53	95'65	99'22
Other articles . . .	1,03'73	1,04'74	96'02	1,04'40	1,01'00	1,04'50

	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	1928-29.		Budget, 1929-30.
				Budget.	Revised.	
REVENUE—concl.						
SEA CUSTOMS—concl.						
IMPORTS—concl.						
<i>Protective Special Duties.</i>						
Iron and Steel { (a) Liable to additional duties	2,92'64	2,76'93	2,96'43	3,09'73	2,63'00	2,96'50
{ (b) Not liable to additional duties						
Paper and Stationery	12'75	23'52	25'84	27'43	28'28	27'86
<i>Government stores.</i>						
Articles liable to protective duties—						
Iron and Steel { (a) Liable to additional duties	1,02'65	94'27	1,08'14	1,01'19	76'80	89'93
{ (b) Not liable to additional duties						
Paper and Stationery						
Railway plant and rolling stock (non-protective)						
Others						
TOTAL IMPORTS	39,31'90	39,96'41	40,46'17	42,11'60	41,64'59	42,23'11
Export duties—						
(a) Hides and skins, raw	31'74	30'84	37'33	35'10	37'73	37'74
(f) Jute (raw and manufac- tured)	3,68'05	3,95'06	1,59'97	4,20'45	4,10'51	4,00'54
(c) Rice	1,10'51	1,16'08	1,06'54	1,22'07	1,00'36	1,16'55
(d) Tea	45'09	50'96	1'03	..	..	..
(e) Government stores	'03	'04	'03	'01	..	..
Sea Customs—Miscellaneous	11'43	9'86	14'43	14'47	13'35	14'81
Land Customs	23'04	22'41	27'80	41'76	1,11'71	75'57
Excise Duty on Cotton Manufac- tures	1,46'60	'37		..	..	..
Excise Duty on Motor Spirit	76'52	96'40	1,11'23	1,21'50	1,59'66	2,49'34
Excise Duty on Kerosene	97'88	1,01'70	97'13	1,10'76	93'17	98'59
Warehouse and wharf rents and Miscellaneous	5'54	6'37	5'68	5'54	5'80	5'04
TOTAL RECEIPTS	48,81'93	48,93'54	49,17'09	51,16'36	50,96'88	51,21'37
<i>Debit—Refunds</i>	<i>1,03'68</i>	<i>92'43</i>	<i>98'27</i>	<i>77'56</i>	<i>92'70</i>	<i>93'60</i>
TOTAL REVENUE	47,77'95	47,95'11	48,21'42	50,18'77	50,04'18	51,21'77
EXPENDITURE.						
India	80'15	79'72	82'60	87'14	91'30	97'94
England	1'22	1'16	1'91	1'92	2'02	1'88
Exchange	'40	'39	'01	..	..	..
Total	81'77	81'27	84'52	89'06	93'32	99'82

TAXES ON INCOME.

		Revenue. (Receipts less re- funds and Pro- vincial Govern- ments' share of Income-tax revenue).	Expenditure.	Net revenue.
1925-26	.	15,83·93	53·72	15,27·21
1926-27	.	15,84·97	61·76	15,03·21
1927-28	.	15,06·39	65·58	14,40·81
1928-29	{ Budget .	16,99·58	60·41	16,30·17
	{ Revised .	16,50·10	60·47	15,80·63
1929-30	Budget .	16,59·60	72·38	15,87·22

12. The revised estimate of revenue is less than the original budget by about 50 lakhs—the net result of an increase of 35 lakhs in refunds in pursuance of certain legal decisions and a drop of 21 lakhs in income-tax revenue mainly in Bengal and Burma, partly counterbalanced by small improvements in other directions. Large arrear collections of super-tax in Bihar and Orissa have prevented a further fall.

13. The budget estimate of revenue for 1929-30 is only about 10 lakhs more than the revised estimate notwithstanding the fact that refunds are expected to be normal. The receipts would have been larger but for the industrial strikes in Bombay and at Jamshedpur in the current year which will affect the collections in 1929-30.

14. The following tables give the usual details :—

			1928-29.		Budget, 1929-30.
	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	Budget.	Revised.
REVENUE.					
EXCESS PROFITS DUTY.					
1. Madras . . . . .	..	'16	..	..	..
2. Bengal	'01	'01	'01	'01	'01
3. Bombay . . . . .	..	'01	..	..	..
TOTAL	'01	'18	'01	'01	'01

	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	1928-29.		Budget, 1929-30.
				Budget.	Revised.	
REVENUE—contd.						
SUPPLY-TAX.						
1. India	2'07	2'17	2'57	2'00	2'57	2'81
2. Baluchistan	'35	'22	'23	'22	'22	'22
3. N.-W. Frontier	'24	'98	'82	'58	'47	'41
4. Madras	22'71	19'21	19'59	24'00	22'00	22'00
5. Bombay	89'62	78'62	88'22	85'00	90'00	90'00
6. Bengal	2,54'77	2,45'95	1,89'14	2,65'00	2,50'00	2,50'60
7. United Provinces	17'42	15'15	15'88	16'00	18'70	18'70
8. Punjab	6'67	8'27	9'11	7'00	8'01	8'45
9. Burma	57'87	64'56	65'04	67'00	60'00	60'00
10. Bihar and Orissa	4'86	20'80	6'47	12'00	32'96	14'83
11. Central Provinces	8'37	8'23	8'87	8'00	7'00	7'00
12. Assam	2'47	3'34	3'27	4'00	4'00	3'00
TOTAL	4,65'92	4,65'50	3,98'71	4,90'75	4,95'93	4,78'02
INCOME-TAX.						
1. India General—						
Civil	28'28	31'71	35'25	34'04	38'94	38'68
Non-Civil Departments	55'78	58'82	64'86	68'74	65'99	66'74
2. Delhi	11'44	11'21	11'57	10'86	10'38	10'99
3. Baluchistan	1'69	1'60	1'62	1'30	1'61	1'61
4. North-West Frontier	8'24	9'34	9'87	9'20	9'02	8'88
5. Madras	1,28'30	1,29'24	1,34'51	1,48'00	1,40'00	1,48'00
6. Bombay	2,49'07	2,74'46	2,80'84	2,95'00	3,00'98	2,86'97
7. Bengal	3,90'76	3,66'00	3,25'50	3,90'00	3,78'55	3,76'77
8. United Provinces	65'31	61'68	68'68	75'00	70'20	72'20
9. Punjab	64'91	67'42	69'79	71'00	69'68	70'15
10. Burma	1,65'45	1,57'05	1,67'71	1,67'00	1,53'65	1,56'56
11. Bihar and Orissa	38'53	43'09	40'68	40'00	41'95	43'95
12. Central Provinces	36'88	37'06	34'56	40'00	37'74	37'74
13. Assam	17'94	19'78	19'64	22'00	21'20	19'00
14. Coorg	'23	'24	'21	'23	'22	'22
TOTAL	13,00'81	12,88'74	12,92'83	13,92'47	13,71'80	13,64'26
MISCELLANEOUS.						
1. Madras . . . . .	..	..	'02	..	'02	'02
2. Bombay . . . . .	..	..	'05	'10	'02	'08
3. United Provinces . . . . .	..	..	'11	..	..	..
4. Punjab . . . . .	..	..	'01	..	..	..
5. Burma . . . . .	..	..	'02	..	'02	..
6. Bihar and Orissa . . . . .	..	..	'02	'05	'05	'05
7. Central Provinces . . . . .	..	..	'02	'02	'12	'02
8. Assam . . . . .	..	..	..	..	'01	..
TOTAL . . . . .	..	..	'25	'17	24	'12
Total Receipts from Taxes on Income	17,6'74	17,54'42	16,91'80	18,83'40	18,67'48	18,42'41
Deduct—Refunds—						
India	1,15'55	1,48'79	1,18'52	1,47'55	1,52'75	1,49'46
England	4'64	5'47	3'4	'27	'13	..
Exchange	2'52	1'37	..	..	..	..
TOTAL REFUNDS	1,44'71	1,56'12	1,19'16	1,47'82	1,82'88	1,49'46
Deduct—Share of Provincial Govern- ments in Income-tax Revenue under the Devolution Rules	26'19	33'31	39'27	36'00	34'50	33'35
Total Revenue of the Central Gov- ernment	15,55'13	15,64'97	15,06'00	16,93'58	16,50'10	16,59'60
EXPENDITURE.						
India	57'63	6'67	64'81	65'54	67'86	71'27
England	'23	'21	'75	'87	'61	'11
Exchange	'27	'28	..	..	..	..
TOTAL	58'13	6'16	65'56	66'41	67'47	72'38
Direct Expenditure of Central Gov- ernment	14'2	2'50	2'08	1'92	1'94	'93
Direct Expenditure of Central Gov- ernment	53'10	59'26	62'98	67'49	67'53	72'05

BUDGET FOR 1929-30.

121

Amount of income-tax revenue payable to Provincial Governments.

	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	1928-29.		
				Budget.	Revised.	Budget, 1929-30.
Madras	4.27	4.64	5.94	6.50	6.50	7.27
United Provinces . . . . .	.03	..	..	..	..	..
Punjab	3.82	4.02	4.83	4.00	3.86	4.05
Burma	8.92	14.32	14.94	14.00	12.49	12.25
Bihar and Orissa	2.41	3.25	3.20	3.50	3.15	3.15
Central Provinces	1.36	2.18	1.72	2.00	1.75	1.62
Assam	5.29	4.92	5.02	6.00	6.75	6.00
TOTAL	26.10	33.33	36.25	36.00	34.50	33.35

15. The following table shows the distribution by Provinces of the net revenue of the Central Government from super-tax and income-tax, after deducting refunds and the share payable to Provincial Governments under the Devolution Rules :—

	Accounts, 1927-28.	1928-29.		Budget, 1929-30.
		Budget.	Revised.	
Madras	1.34	1.47	1.36	1.43
Bombay	3.24	3.45	3.32	3.37
Bengal	4.88	6.19	5.91	5.91
United Provinces . . . . .	.83	.89	.86	.88
Punjab . . . . .	.70	.70	.67	.71
Burma	2.00	2.06	1.89	1.96
Bihar and Orissa . . . . .	.41	.46	.72	.53
Central Provinces . . . . .	.28	.41	.35	.37
Assam . . . . .	.14	.17	.16	.16
Minor Administrations and Non-Civil Departments	1.24	1.20	1.26	1.28
TOTAL	15.06	17.00	16.50	16.60

SALT.

	Revenue (Receipts less Refunds).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.
1925-26	6.32.97	1,32.24	5,00.73
1926-27	6.69.81	1,24.76	5,45.05
1927-28	6.63.18	1,27.01	5,36.17
1928-29 { Budget	7.00.08	1,25.50	5,74.58
{ Revised	7.04.69	1,24.83	6,39.86
1929-30 Budget	6.34.64	1,33.98	5,00.66

16. Speculation at Sambhar has resulted in abnormally large receipts in the current year, the additional revenue representing not an increase in consumption or even in clearances, but only an advance receipt of money which

would have come in normally in 1929-30 under the operation of the credit system, had indents been spread more evenly. Other things being equal, this should lead to a corresponding deterioration next year.

17. The relevant details are given below :—

			1928-29.			
	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	Budget.	Revised.	Budget, 1929-30.
REVENUE.						
Northern India (a)	1,29·00	1,54·32	1,68·93	1,67·74	2,43·11	1,11·42
Madras (a)	1,47·72	1,43·12	1,44·64	1,51·14	1,43·51	1,18·48
Bombay (a)	1,53·67	1,59·72	1,55·25	1,68·61	1,61·32	1,63·00
Bengal (b)	1,72·55	1,77·45	1,64·50	1,79·04	1,79·89	1,74·93
Burma (b)	34·10	34·24	36·53	37·02	35·11	36·51
Bihar and Orissa	·01	·01	·01	·01	·01	·01
Assam	·01	·01	·01	·01	·01	·01
TOTAL RECEIPTS	6,37·04	6,72·86	6,67·87	7,03·61	7,70·96	6,39·40
Deduct—Refunds	4·07	3·05	4·69	3·53	6·27	4·76
TOTAL REVENUE	6,32·97	6,69·81	6,63·18	7,00·08	7,64·69	6,34·64
EXPENDITURE.						
Cost of salt purchased by Govern- ment	10·25	12·90	10·31	8·42	6·99	10·58
Assignments and compensations	40·27	38·18	41·03	39·19	39·57	40·39
Interest	3·72	3·89	1·03	4·26	4·02	4·74
Depreciation	2·54	2·66	3·64	2·74	3·04	2·99
Other charges	67·91	61·68	65·92	66·60	63·79	70·98
Capital Outlay on salt works	7·18	4·80	·50	2·96	·90	3·25
Total India	1,31·87	1,24·11	1,25·43	1,24·47	1,23·89	1,32·93
England	·28	·14	·57	1·03	·94	1·05
Exchange	·09	·17	·01	..	..	..
TOTAL	1,32·24	1,24·42	1,27·01	1,25·50	1,24·83	1,33·98

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

OPIMUM.

	Provision and mild opium.	Excise opium and mild oil in our (<i>less</i> refunds).	Total revenue (Receipts <i>less</i> refunds).	Purchase of opium.	Other charges.	Total expendi- ture.	Net revenue.
1925-26	2,82·76	1,32·24	4,15·00	1,90·30	21·17	2,11·47	2,03·53
1926-27	3·51·40	81·65	4,33·14	85·98	14·46	1,00·44	3,32·70
1927-28	2,10·00	78·53	3,04·72	74·08	12·93	87·01	3,07·51
1928-29	Budget	2,17·13	3,24·17	67·67	14·82	81·49	2,66·28
	Revised	2,77·74	3,11·13	46·87	12·86	59·73	2,93·04
1929-30	Budget	2,54·28	3,11·77	58·97	12·04	71·01	2,34·55

18. The revenue from opium is derived mainly from exports of what is called provision opium to foreign countries, and from the sale to Provincial Governments of excise opium for internal consumption in India. The latter is sold to Provincial Governments at a fixed price based on the cost of production, and retailed by them to licensed vendors at rates fixed by them.

which vary from Province to Province. Opium is exported to foreign countries only after the prescribed import certificate from the Government of the importing country is produced. The entire quantity is now exported under the system of direct sales to Foreign and Colonial Governments, that of auction sales in Calcutta to traders for export to foreign countries having been stopped with effect from the 7th April 1926.

19. The exports of provision opium in the current year are expected to amount to 6,675 chests, but will drop to 5,610 chests next year under the arrangement whereby they have to be extinguished not later than the 31st December 1935. This accounts for the fall of 42 lakhs in the budget estimate of revenue for 1929-30.

20. The revised estimate of expenditure in the current year shows a saving of 22 lakhs owing to short deliveries and poorer outturn. Next year's expenditure will, however, be somewhat larger.

OTHER PRINCIPAL HEADS OF REVENUE AND DIRECT DEMANDS ON THE REVENUES.

		Revenue.	Expenditure.	Net revenue.
1925-26	. . . . .	2,12·60	60·57	1,52·03
1926-27	. . . . .	2,17·50	56·52	1,60·98
1927-28	. . . . .	2,29·39	54·99	1,75·00
1928-29	{ Budget	2,20·10	62·34	1 57·76
	{ Revised	2,19·90	62·69	1 57·21
1929-30	Budget	2,22·67	65·49	1,57·18

21 These comprise Land Revenue, Excise, Stamps, Forest, Registration and Tributes from Indian States. There is practically no variation in net revenue.

IRRIGATION.

		Revenue (Receipts <i>less</i> Working expenses).	Expenditure (including Capital expenditure charged to Revenue).	Net expenditure.
1925-26	. . . . .	12·03	20·15	8·12
1926-27	. . . . .	10·25	15·50	5·25
1927-28	. . . . .	9·06	17·39	8·33
1928-29	{ Budget	12·36	23·10	10·74
	{ Revised	11·31	21·77	10·46
1929-30	Budget	13·40	22·66	9·26

22. Next year's budget estimate of expenditure includes about 3 lakhs for certain new irrigation and drainage works in the North-West Frontier Pro-

BUDGET FOR 1929-30.

POSTS AND TELEGRAPHS.

	Accounts, 1925-26.	Accounts, 1926-27.	Accounts, 1927-28.	1928-29.		Budget, 1929-30.
				Budget.	Revised.	
INDIAN POSTS AND TELE- GRAPHS DEPARTMENT.						
GROSS RECEIPTS	10,21'37	10,53'04	10,82'71	11,38'86	11,23'47	11,59'97
WORKING EXPENSES—						
India	9,28'90	9,83'39	10,46'78	10,72'25	10,81'68	10,94'28
England	6'83	5'45	6'73	6'97	7'46	7'78
Exchange	2'23	1'86	02	..	..	..
TOTAL	9,37'96	9,90'70	10,53'53	10,79'22	10,89'14	11,02'06
NET RECEIPTS	83'41	62'34	29'18	59'64	34'33	57'91
EXPENDITURE CHARGED TO RE- VENUE—						
Interest	46'88	52'09	55'33	59'41	62'90	65'74
NET REVENUE	37'03	10'25	—26'15	23	—28'57	—7'83
CAPITAL OUTLAY CHARGED TO RE- VENUE—						
India	—1,40'87	17'62	15'78	17'00	15'22	10'00
England . . . . .	..	..	..	..	..	..
Exchange . . . . .	..	..	..	..	..	..
TOTAL	—1,40'87	17'62	15'78	17'00	15'22	10'00
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	2,00'50	22'97	36'59	56'50	52'64	56'91
England	10'08	8'29	12'86	13'51	9'82	12'27
Exchange	8'26	2'93	08	..	..	..
TOTAL	2,13'79	34'29	49'53	70'01	62'46	69'18
INDO-EUROPEAN TELEGRAPH DEPARTMENT						
GROSS RECEIPTS—						
India	22'39	17'72	18'42	19'24	16'13	16'04
England	10'53	15'84	15'81	12'27	13'08	12'94
Exchange	3'46	5'40	03	..	..	..
TOTAL	36'43	38'96	34'06	31'51	29'21	28'98
WORKING EXPENSES—						
India	31'00	29'34	30'16	32'21	29'52	27'66
England	1'20	098	1'62	1'57	1'88	1'50
Exchange	39	33	..	..	..	..
TOTAL	33'49	30'65	31'78	33'78	31'40	29'16
NET RECEIPTS	2'94	8'31	2'28	—2'27	—2'19	—1'18
EXPENDITURE CHARGED TO RE- VENUE—						
Interest	4'31	5'16	5'13	5'21	5'39	5'57
NET REVENUE	—1'37	3'15	—2'85	—7'45	—7'55	—5'75
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	—14'10	..	2'45	—01	05	—1'16
England . . . . .	..	006	05	05	05	05
Exchange	53	02	..	..	..	..
TOTAL	—11'71	94	2'50	04	00	—1'11
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	8'40	—3'17	—3'53	—3'32	—3'89	—2'12
England	1'02	1'10	07	1'83	1'80	1'07
Exchange	03	37	01	..	..	..
TOTAL	9'75	—1'70	—2'85	—1'99	3'09	—1'05

23. The above statement shows the position of both the Indian Posts and Telegraphs Department and the Indo-European Telegraph Department at a glance. The figures appearing as 'Net Revenue' show in both cases the profit or loss on the working on a commercial basis.

24. In the Indian Department, the larger loss of about 29 lakhs in the current year is the combined result of a drop of 15 lakhs in gross receipts owing mainly to the reduction in the rate for foreign telegrams not having been followed by the expected growth in traffic; of an increase of 10 lakhs in working expenses due to the under-estimation of the cost of the revisions of pay and other concessions granted to the staff in recent years; and of an increase of about 4 lakhs in interest charges following on certain alterations in the block account and in the method of calculating the interest chargeable in respect of capital outlay incurred after the 31st March 1917 (*vide* paragraph 28). The loss next year is now expected to be under 8 lakhs on the assumption of a moderate improvement in the receipts. It will be only slightly less than what has been estimated to be the cost of the non-commercial activities of the wireless branch of the Department.

25. The Indo-European Department shows slightly better results next year than in 1928-29. The reduction in receipts due to competition with Beam Wireless is expected to be rather more than made up by a reduction in working expenses.

26. The interest chargeable to both the Departments has been calculated throughout with reference to the value of the recently constructed block account as at the 31st March 1925 and the capital outlay subsequently incurred, after taking into account capital receipts as also the profit or loss on the annual working.

INTEREST RECEIPTS.

	Accounts, 1927-28.	Budget, 1928-29.	Revised, 1928-29.	Budget, 1929-30.
India	95.62	59.95	91.33	88.98
England	20.64	15.36	20.30	21.98
Exchange	1.12	..	..	..
TOTAL	3,61.91	2,91.97	3,57.55	3,45.64

27. The receipts in England are as estimated by the Secretary of State early in February on the basis of the information then available regarding the volume and composition of the Home balances, the prevailing interest rates, etc. It is probable that the recent fall in the prices of British securities, following on the rise in the Bank of England's discount rate to 5½ per cent., may affect the figures considerably, but this factor has not been taken into account at this late stage. The variations in the Indian estimates are the result of a decision to account for the interest on advances to Railways as a receipt instead of as a deduction from expenditure. Such interest amounts to 31 lakhs in 1928-29 and 18 lakhs in 1929-30. The variations are more apparent than real as they affect both sides of the estimates.

BUDGET FOR 1929-30.

INTEREST PAYMENTS.

	Accounts, 1927-28.	Budget, 1928-29.	Revised, 1928-29.	Budget, 1929-30.
<i>Interest on ordinary debt—</i>				
Gross payments—				
India	19,89·02	20,04·72	20,96·20	20,83·74
England	17,49·36	17,44·79	17,85·77	18,14·68
Exchange	7·79	..	..	..
Total	<u>37,46·17</u>	<u>37,49·51</u>	<u>38,81·97</u>	<u>38,98·42</u>
<i>Deduct—Amounts charged to—</i>				
Railways	25,75·22	27,47·02	27,99·03	29,08·44
Irrigation	12·03	12·15	12·20	12·28
Posts and Telegraphs	62·12	66·14	69·97	72·99
Other heads	13·75	20·79	19·42	23·30
Provincial Loans Fund	5,46·08	5,74·50	5,87·93	6,20·89
Total deductions	<u>32,03·20</u>	<u>34,20·60</u>	<u>34,88·55</u>	<u>36,37·90</u>
Total Interest on Ordinary Debt (net)	<u>5,36·97</u>	<u>3,28·91</u>	<u>3,93·42</u>	<u>2,60·52</u>
<i>Interest on other obligations—</i>				
On Postal Savings Bank balances	87·27	97·84	97·58	1,07·63
On Provident Funds	2,21·21	2,50·95	2,49·38	2,67·62
Bonus on Postal Cash Certificates	22·54	50·00	60·00	1,10·00
On Fixed Deposits of Provincial Governments	20·51	21·50	17·45	13·50
On Reserve and Depreciation Funds	84·81	1,09·10	1,13·73	1,35·71
Other items	83·40	92·45	93·94	92·11
Total	<u>5,19·74</u>	<u>6,21·84</u>	<u>6,32·08</u>	<u>7,26·57</u>
Total Interest payments	<u>10,56·71</u>	<u>9,50·75</u>	<u>10,25·50</u>	<u>9,87·09</u>

28. The revised estimate of gross payments of interest on ordinary debt during the current year shows an increase of 1,33 lakhs as compared with the original budget: our borrowing operations have been larger and there has also been an increase in the borrowing rate. At the same time, however, the amounts charged to the Commercial Departments and the Provincial Loans Fund have also increased by 55 lakhs and 13 lakhs respectively. In the former case, the increase is mainly due to a change in the method of calculating the

average rate of interest charged to Commercial Departments in respect of capital outlay incurred after the 31st March 1917. The rate now takes into account the loss which the general revenues suffer through the tax-free concession attached to certain portions of our rupee debt. As a result of the revised arrangement, the amount of interest chargeable to Railways and to Posts and Telegraphs during the current year has been increased by 59 lakhs and 2 lakhs respectively. For the rest, the amount recoverable from the Railways would have been higher as a result of the larger capital outlay incurred in both 1927-28 and 1928-29, but for the change in the method of accounting of interest on advances referred to in paragraph 27. The net interest payable in the current year is 65 lakhs more than was provided for in the budget estimate and the excess is just covered by the improvement in interest receipts. The discount on the year's rupee loan (1,19.29 lakhs) and that on the sterling loan (£900,000) have not been charged to revenue at once but will be provided for by the institution of separate discount sinking funds, so that the charge to revenue will be spread over the periods of currency of the loans.

29. Under Interest on other Obligations, the increase in the revised estimate of the current year is accounted for by the larger provision for bonus on Post Office Cash Certificates. The budget estimate for next year allows for 1.10 lakhs on this account against 60 lakhs taken in the revised estimate of the current year.

30. The steady reduction in the charges on account of interest will be apparent from the following figures :—

1923-24	. . . . .	15,97
1924-25	. . . . .	14,90
1925-26	. . . . .	13,37
1926-27	. . . . .	11,77
1927-28	. . . . .	10,57
1928-29	. . . . .	10,25
1929-30	. . . . .	9,87

In the six years ending the 31st March 1930, the reduction is fully 38 per cent. but it has to be remembered that the provision for bonus on cash certificates hitherto made merely represents the amounts required to meet the actual payments and makes no allowance for the accrued liability which is estimated to stand at 7½ crores on the 1st October 1929.

APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT.

31. Under the scheme of debt redemption adopted by the Government of India for the five years 1925-26 to 1929-30, the annual charge against the revenues of India for the purpose of making provision for the reduction or avoidance of debt consists of—

(a) a sum of 4 crores, and

(b) such additional sum as is equal to one-eightieth of any excess shown in the total of the debt outstanding on the 31st of March of the preceding year over the total outstanding on the 31st March 1923.

32. The amount required under this scheme is 5,11.70 lakhs in 1928-29, and 5,42.79 lakhs in 1929-30. The figures on which the calculation is based are given below :—

(In lakhs of rupees, sterling amounts being converted at Rs. 15 per £.)			
	31st March 1923.	31st March 1928.	31st March 1929 (Estimate.)
Rupee Debt exclusive of Treasury Bills in the Paper Currency Reserve	3,61,42	3,79,84	3,97,56
Sterling Debt	3,63,95	4,34,40	4,48,15
Unfunded Debt	62,56	1,19,47	1,28,09
Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities	91,97	82,19	80,03
	8,79,90	10,15,90	10,53,83
<i>Deduct—</i>			
Discount included above but separately provided for . .	8,23	16,02	18,44
Advances to Provincial Governments other than those representing pre-Reform Irrigation debt	24,89	63,74	74,38
	33,12	79,76	92,82
	8,46,78	9,36,14	9,61,01
Excess over outstanding debt on 31st March 1923		89,36	1,14,23
$\frac{1}{8}$ th of above		1,11.70	1,42.79

33. These amounts should be increased further by 26.68 and 30 lakhs respectively, being the reparation receipts payable by Germany which have to be applied, under section 7 of the Indian Finance Act, 1926, to the reduction or avoidance of debt. The total provision is thus 5,38.38 lakhs in 1928-29 and 5,72.79 lakhs in 1929-30. These figures include the following specific items :—

	Revised, 1928-29.	Budget, 1929-30.
Sinking fund provision for 5 per cent. rupee loans	1,36.04	1,36.04
Capital portion of railway annuities	1,92.29	1,98.95
Railway sinking funds	26.67	26.67
Capital portion of liabilities assumed in respect of British 5 per cent. War Loan 1929—47	75.22	78.94
Reparation receipts	26.68	30.00
TOTAL	4,56.90	4,70.60

34. The sums provided from revenue on this account from year to year are indicated below. The increase in the six years ending the 31st March 1930 is less than 35 per cent. of the savings in interest on dead-weight debt during the same period (*vide* paragraph 30).

1923-24	3,62
1924-25	3,78
1925-26	4,97
1926-27	4,97
1927-28	5,04
1928-29	5,38
1929-30	5,73

CIVIL ADMINISTRATION.

		Revenue.	Expenditure.	Net expenditure.
1925-26	. . . . .	89.98	10,76.49	9,86.51
1926-27	. . . . .	86.05	11,13.44	10,27.39
1927-28	. . . . .	98.69	11,20.78	10,22.09
1928-29	{ Budget	1,01.32	11,69.45	10,68.13
	{ Revised	1,00.79	11,48.53	10,47.74
1929-30	Budget	1,12.25	12,66.74	11,54.49

35. The improvement of about 11 lakhs in next year's estimate of revenue is shared by Ports and Pilotage (3 lakhs), Agriculture (4 lakhs) and the Indian Stores Department (4 lakhs).

36. The revised estimate of expenditure shows a reduction of 21 lakhs as compared with the budget estimate for the current year in spite of an increase of 12 lakhs under Frontier Watch and Ward and of 3 lakhs for bounties. This result was rendered possible by a saving of 7 lakhs in the expenditure on India House and smaller savings under most of the other heads included in this group.

37. Next year's expenditure, however, is expected to go up by as much as 1,18 lakhs. For, besides the annual increments, etc., which are responsible for a considerable portion of the increase, the estimate allows for 29 lakhs for the outlay on India House, 16.4 lakhs for agricultural research, 20 lakhs for new expenditure on civil aviation, 15 lakhs for further expenditure on Frontier Watch and Ward, 4 lakhs for reclamation operations in the Andamans, and 8½ lakhs for additional grants to the Benares Hindu University, the Bose Institute, and the Pasteur Institute.

CURRENCY AND MINT.

		Revenue.	Expenditure.	Net revenue. ¹
1925-26	. . . . .	4,63.89	70.11	3,93.78
1926-27	. . . . .	4,15.51	76.37	3,39.14
1927-28	. . . . .	2,77.46	87.67	1,89.79
1928-29	{ Budget	2,48.81	69.63	1,79.18
	{ Revised	2,68.44	73.84	1,94.60
1929-30	Budget	3,05.77	71.02	2,34.75

38. The estimates of receipts under this group largely depend upon the transactions connected with the securities in the Paper Currency Reserve and are subject to wide fluctuations. The revised estimate of expenditure is swollen to the extent of about 6 lakhs representing the loss on the withdrawal of redundant silver coin, mainly in connection with the operations of the silver refinery.

CIVIL WORKS.

		Revenue.	Expenditure.	Net expenditure.
1925-26	.	12.85	1,60.42	1,47.57
1926-27	.	15.79	1,89.74	1,73.95
1927-28	.	16.07	1,58.48	1,42.41
1928-29	{ Budget	14.41	1,73.31	1,58.90
	{ Revised	16.03	1,71.24	1,55.21
1929-30	Budget	18.45	2,59.35	2,40.90

39. The present estimates of expenditure for 1928-29 and 1929-30 respectively include 6 lakhs and 83.30 lakhs being the block grants for road development referred to in paragraph 7. Excluding these special items, the estimates are 1,65.24 lakhs and 1,76.05 lakhs respectively. The latter figure includes 3 lakhs for the New Central Hospital, Delhi, 2 lakhs for the improvement of watermains and 1 lakh for the development of slum areas and the construction of model dwellings in Old Delhi.

MISCELLANEOUS.

		Revenue.	Expenditure.	Net expenditure.
1925-26	.	54.18	4,25.60	3,71.42
1926-27	.	60.01	3,96.16	3,36.15
1927-28	.	52.46	3,75.31	3,22.85
1928-29	{ Budget	81.82	4,10.06	3,28.24
	{ Revised	88.15	4,17.44	3,29.29
1929-30	Budget	85.44	4,06.93	3,21.49

40. The variations in the revenue figures occur largely under Stationery and Printing.

41. The increase in the revised estimate of expenditure for 1928-29 over the original budget is almost wholly attributable to Committees of Enquiry, for example, the Indian Central Committee, the Auxiliary Committee, the Age of Consent Committee and the Haj Committee. The reduction in next year's expenditure is shared among pensions, stationery and Committees.

PROVINCIAL CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

		Revenue.	Expenditure.	Net revenue.
1925-26	.	6,24.09	15.68	6,08.41
1926-27	.	5,17.75	4.53	5,13.22
1927-28	.	6.10	3.50	2.60
1928-29	{ Budget	..	..	..
	{ Revised	4.50	1.08	3.42
1929-30	Budget	..	..	..

42. The revised estimate of revenue represents a recovery due from the Government of Bombay in connection with the readjustment of the value of the stock of non-postal stamps held on the 1st April 1921, while that of expenditure relates to the reimbursement, to the Shan States Federation, of audit charges erroneously recovered from it in the past.

EXTRAORDINARY ITEMS.

		Accounts, 1927-28.	1928-29.		Budget, 1929-30.
			Budget.	Revised.	
Receipts—					
India	. . . . .	2,21·48	..	..	89·69
England	. . . . .	14·11	26·67	26·68	30·00
Exchange	. . . . .	·01	..	..	..
TOTAL		2,35·60	26·67	26·68	1,19·69
Payments—					
India	. . . . .	18·22	4·50	31·13	2·25
England	. . . . .	..	..	..	..
Exchange	. . . . .	..	..	..	..
TOTAL		18·22	4·50	31·13	2 25

43. The budget estimate of Indian receipts for next year and 29·63 lakhs out of the revised estimate of Indian payments in the current year represent merely the transfers from and to the Revenue Reserve Fund in order to balance the two sides of the estimates (*vide* para. 5). The receipts in England in both years represent India's share of the Dawes annuities which, however, have to be appropriated to the reduction or avoidance of debt (*vide* paragraph 33).

EXCHANGE.

44. From the 1st April 1920 to the 31st March 1927, the accounts were prepared on the basis of the rate of 2s. per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee, however, stood at a lower level in recent years. In consequence of this variation from the 2s. rate, large sums were brought to account as credits or debits on account of exchange in respect of transactions involving remittances of funds to and from the Secretary of State. These were purely book-keeping transactions. Under that system, there was an accounts 'gain' by exchange when the Home remittances through the market were less than the amounts required by the Secretary of State for his aggregate net disbursements owing to the latter having been financed partly from other sources, *e.g.*, a sterling loan floated in London. Similarly, there was an accounts 'loss' when the remittances were greater in order to meet the demands of trade. These 'gains' and 'losses' fluctuated within very wide limits as will

47. The bulk of the payments made in England on account of the Government of India consists of expenditure chargeable to the Indian revenues and has normally to be met by direct remittance of funds from India. The capital outlay on the construction of railways, however, sometimes necessitates heavy borrowing and a large portion of the money required has, when necessary, been raised in England, either direct or through the agency of Companies. Operations connected with the Gold Standard and Paper Currency Reserves, and with the replacement of one particular form or item of direct or indirect debt by another, further swell the receipts and charges of the Home Treasury without affecting ordinarily the general ways and means programme. Recoveries are also effected by the Secretary of State against drawings of the Iraq administration on India. These recoveries represent, in effect, remittances from India to finance the Home Treasury and reduce the amount of direct remittances which would otherwise be necessary.

BUDGET FOR 1929-30.

133

48. The following is a summary of the estimated transactions of the Home Treasury :—

[In millions of £]

	Budget, 1928-29.	Revised, 1928-29.	Budget, 1929-30.
RECEIPTS.			
1. Discount on loans raised in previous years brought to account as debt incurred	•24	•24	•27
2. Remittances between England and India—			
(a) Recoveries on account of drawings by Iraq administration on India	•76	•74	•60
(b) Sale of silver . . . . .	..	2•50	•20
(c) Other transactions	1•31	1•29	•88
Total Receipts, excluding direct remittances and loans	2•31	4•77	1•95
DISBURSEMENTS.			
3. Excess of Expenditure of the Central Government over Revenue	24•65	24•61	25•24
4. Disbursements on behalf of Provincial Governments	2•85	2•83	2•65
5. Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	6•50	7•50	12•77
(b) Redemption of liabilities involved in the purchase of Railways	3•00	3•00	..
(c) Other items	•23	•14	•15
6. Discharge of Debt	2•21	2•20	2•28
7. Deposits and Advances	—•04	—•22	—•10
TOTAL DISBURSEMENTS	39•40	40•06	42•99
NET DISBURSEMENTS	37•09	35•29	41•01
Remittances from India (net)	36•00	26•00	35•05
New Loan (less discount) . . . . .	..	9•10	5•27
Reduction (+) or increase (—) of cash balance	1•09	•19	•72
Opening Balance	6•05	5•66	5•47
Closing Balance	4•96	5•47	4•75

49. Item 2 (a) has already been explained in paragraph 47. Normally, item 2 (c) relating to 'Other transactions' is almost entirely made up of recoveries from the Governments of Hong-Kong, the Straits Settlements and Siam in respect of opium supplied from India under agreement, the other indirect remittances to and fro practically balancing one another.

Item 5 (a) includes £5·27 millions for the purchase of the Southern Punjab Railway in 1929-30.

50. The amount shown under the head 'Discharge of Debt' includes the provision for railway sinking funds, the capital portion of railway annuities and the equated instalments in repayment of the war loan liability. These payments are made out of the provision for reduction or avoidance of debt.

51. The total amount required to be remitted through the market in the current year is £29½ millions, while the corresponding amount for next year is £35½ millions. These, however, are only illustrative figures, representing the remittances necessary to provide the Home Treasury with a normal closing balance. The actual amount of remittance must, like the form, necessarily depend upon circumstances.

52. The new loan in the current year was a second issue of the 4½ per cent. 1958-68 loan. It was raised at 91 for the nominal amount of £10 millions. The six months' India Bills for £6 millions issued in August 1928, will be repaid in the current year. The new loan entered for next year represents the amount required for the purchase of the Southern Punjab Railway.

53. The Gold Standard Reserve usually stands at £40 millions, any excess resulting from investments, etc., being transferred monthly to Revenue. The receipts and charges in the two years are as follows:—

(In millions of £.)		
	Revised, 1928-29.	Budget, 1929-30.
Dividends, interest, etc.	1·67	1·69
Investments realised.	43·43	30·49
	<hr/>	<hr/>
TOTAL	45·10	32·18
	<hr/>	<hr/>
Investments made	43·26	30·42
Appropriation to Revenue.	1·84	1·76
	<hr/>	<hr/>
TOTAL	45·10	32·18

BUDGET FOR 1929-30.

135

INDIA.

54. The following is a summary of the estimates of ways and means in India during 1928-29 and 1929-30 :—

(In crores of rupees.)

	Budget, 1928-29.	Revised, 1928-29.	Budget, 1929-30.
RECEIPTS.			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	32·92	32·81	33·65
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	3·28	1·60	·60
(b) Savings Bank deposits (net)	8·42	6·67	9·51
3. Appropriation for reduction or avoidance of debt	5·57	5·56	5·97
4. Gain on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve (net)		—3·29	—·23
5. Railway Reserve and Railway and Posts and Telegraphs Depreciation Funds	6·84	6·34	5·76
6. Miscellaneous Deposits and Remittances (net)	1·38	—3·04	1·35
TOTAL RECEIPTS	58·41	46·65	56·61
DISBURSEMENTS.			
7. Capital Expenditure not charged to Revenue—			
(a) State Railways	15·33	16·00	16·50
(b) Posts and Telegraphs	·53	·49	·55
(c) Delhi	·70	·44	·66
(d) Bombay Land scheme	2·05	..	..
(e) Other items	·78	·62	·73
8. Revenue Reserve Fund . . . . .	..	—·30	·90
9. Permanent Debt discharged (net)	16·52	16·68	·22
10. Floating Debt discharged (net) . . . . .	..	—6·58	·95
11. Loans by the Central Government—			
(a) To Provincial Loans Fund	6·87	10·61	4·63
(b) Other Loans	1·30	1·52	1·61
12. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	48·00	34·66	46·73
(b) Drawings by the Iraq administration recoverable in England	1·01	·98	·80
(c) Other transactions (net).	1·74	5·05	1·45
13. Balances of Provincial Governments	—3·67	—2·26	—·95
TOTAL DISBURSEMENTS	91·16	77·91	74·78
NET DISBURSEMENTS	32·75	31·26	18·17
New Loan (less discount)	32·00	33·84	18·00
Reduction of cash balance	·75	—2·58	·17
Opening Balance	11·74	9·16	11·74
Closing Balance	11·99	11·74	11·57

55. Item 7 (d) represents a payment which was expected to be made to the Government of Bombay for reclaimed land at Colaba to be taken over for the use of the Military Department. It is not probable, however, that this payment will actually be made before the end of next year.

56. The estimates of Provincial Governments' transactions—*vide* items 11 (a) and 13—are based on the assumption that the net drawings from the Central Government in India and England, including those in the shape of advances through the Provincial Loans Fund, will be 12 crores in the current year and $7\frac{1}{2}$ crores in the next.

57. Full details of the debt incurred and discharged are given in statement C of the Budget. Out of the net amount of 16·68 crores of Permanent Debt shown as discharged in 1928-29, 16·41 crores represent $5\frac{1}{2}$ per cent. War Bonds, 1928, which were converted into the new loan or discharged on maturity. The balances of treasury bills, according to the estimates presented to the Legislature, are as follows :—

	31st March 1929.	31st March 1930.
With the Public	6·95 crores.	0 crores.
In the Paper Currency Reserve	39·15 „	39·15 „

58. The result of the current year's rupee loan is summarised below for ready reference :—

	(In crores of rupees.)		
	4½ per cent. Loan, 1955-60.	4½ per cent. Bonds, 1934.	Total.
Subscriptions in cash	5·57	16·85	22·42
Subscription in the form of Indian treasury bills	·56	·95	1·51
Subscription in the form of 5½ per cent. War Bonds, 1928	2·93	8·18	11·11
	<hr/>	<hr/>	<hr/>
Total nominal value	9·06	25·98	35·04
	<hr/>	<hr/>	<hr/>

The amount of the new loan now estimated for next year has been shown separately at 18 crores. The figure is, however, again illustrative only and the actual amount and other details will depend upon the circumstances of the time.

The 31st March 1929.

E. BURDON.

APPENDIX I.

Memorandum on the Military Estimates for 1929-30.

The Military Estimates for 1929-30 have been prepared in the same form as those for 1928-29. These follow a cash system of estimates and accounts which was readopted in 1927-28 in place of the elaborate system of cost accounts which was previously in force. It will be observed that a comparison of the estimates for 1928-29 and 1929-30 with the actual expenditure for 1927-28 reveals a considerable increase both in expenditure and in receipts but this increase is apparent only and is due to the fact that in the earlier estimates certain recoveries were shown as deductions from expenditure which are now treated as direct receipts.

2. Since 1922-23 substantial reductions have been effected in the expenditure on the military services. The actual net expenditure as shewn in the final accounts or as estimated, where the accounts are not yet closed, is indicated in the following statement :—

										Rs. (Crores.)
1922-23	.	.	.	.	.	.	.	.	.	65·27
1923-24	.	.	.	.	.	.	.	.	.	56·23
1924-25	.	.	.	.	.	.	.	.	.	55·63
1925-26	.	.	.	.	.	.	.	.	.	56·00
1926-27	.	.	.	.	.	.	.	.	.	55·97
1927-28	.	.	.	.	.	.	.	.	.	54·79
1928-29 (Budget Estimate)	.	.	.	.	.	.	.	.	.	55·10
1928-29 (Revised Estimate)	.	.	.	.	.	.	.	.	.	55·10
1929-30 (Budget Estimate)	.	.	.	.	.	.	.	.	.	55·10

3. The Indian Retrenchment Committee, after their exhaustive examination of every aspect of military administration, recommended that the net budget for 1923-24 should be fixed at Rs. 57½ crores, subject to such addition as would be necessary on account of the delay which must necessarily ensue in carrying out the proposed changes, and in order to meet special expenditure in Waziristan, etc. In their final review of military expenditure, they envisaged further large automatic savings and they considered that, in subsequent years, expenditure would be susceptible of reduction to Rs. 57 crores and ultimately to Rs. 50 crores provided a further fall in prices took place. The expenditure in the year 1923-24 showed an actual reduction to Rs. 56·23 crores, largely due to the rapidity with which retrenchments were effected under the orders of His Excellency the Commander-in-Chief; and thus the first stage of Rs. 57 crores mentioned by the Retrenchment Committee was passed in the first year.

4. The figure of Rs. 56·23 crores for the year 1923-24 included heavy expenditure on gratuities to demobilised officers and in Waziristan, but these abnormal items were counterbalanced by credits from the proceeds of sale and utilisation of surplus stores. The budget for the year 1923-24 allotted a net sum of 62 crores for military services. This was reduced in the budget for 1924-25 to 60½ crores, but by the time when the budget for 1925-26 was

under consideration, the actual effect of the retrenchment operations, which it had been difficult to gauge in advance, had become apparent, and it was possible to reduce the budget provision for 1925-26 to Rs. 56·25 crores net. Further reductions have been made in subsequent budgets. The following table brings out the results achieved from 1922-23 at a glance :—

Net expenditure on Military services.

(In crores of Rupees.)

	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.
Budget Estimate . . .	67·75	62·00	60·25	56·25	54·88	54·92	55·10	55·10
Revised Estimate . . .	67·09	59·74	56·83	56·28	55·55	54·92	55·10	
Actual expenditure . . .	65·27	56·28	55·63	56·00	55·97	54·79		

5. In each year from 1923-24, the expenditure is well below the Retrenchment Committee's figure of Rs. 57 crores. It will be realised that, with the heavy commitments for expenditure in England which are provided for in the Military estimates, a considerable part of the reduction below Rs. 57 crores is attributable to the present rate of exchange, the Retrenchment Committee having worked on a basis of 1s. 4d.—1 Re. ; but certain additions have been made to the Military Budget of which the Retrenchment Committee did not take cognisance, i.e., the provision of over half-a-crore of rupees for the revision of pay and grant of free passages to officers of the Army, and the transfer to Military estimates from the civil estimates of certain expenditure estimated in 1929-30 at Rs. 48 lakhs which is more properly accounted for under the former. The transfers which have been taken into account in the Budget for 1929-30 are shown below :—

(Thousands of rupees.)

(1) Payment to Telegraph Department for care of Army stores	30
(2) Customs duty	33,37
(3) Printing and Stationery	15,65
(4) Payments from the compassionate fund to personnel employed in the Military Department	9
(5) Payments to the Public Works Departments, Delhi, for rent of buildings	25
	<hr/> 49,66

On the other hand, the following items have been transferred from the military to the civil estimates :—

(1) Establishment of the Deputy Financial Adviser, Royal Air Force	13
(2) Establishment of the Budget Section, Military Finance	42
(3) Charges on the Mesopotamia	49
(4) Charges for the Perim Lighthouse and Coal Depots at Basidu and Bushire	24
	<hr/> 1,58
Net debit to military	48,08

6. It has been decided that for a period of four years beginning with the year 1928-29 and ending with the year 1931-32, the military budget will be stabilised each year at a figure of 55 crores to which will be added the amount required, at present estimated at 10 lakhs, to give effect to measures arising out of the recommendations of the Shea Committee on the Auxiliary and Territorial Forces. Any savings which may accrue within the total of 55 crores will be carried to a suspense account which may be drawn upon for expenditure in later years. This arrangement has been adopted in order to enable the military authorities firstly to carry out a programme of mechanisation and modernisation of equipment necessitated by recent developments in military organisation, and secondly to repair certain deficiencies in equipment which are mainly due to the policy of retrenchment. The situation has been explained fully in a statement made by the Army Secretary in the Assembly on 5th September 1928.

In accordance with this arrangement the revised estimates for 1928-29 stand at 55·10 crores and the budget estimate for 1929-30 at the same figure. It has been found possible in the current year to allot a sum of about 1½ crores for expenditure on the military programme referred to above and it is anticipated that, after meeting the normal charges for the maintenance of the military services in 1929-30, slightly over 2 crores will be available for the same purposes. Experience has shewn that if the actual annual programme of new expenditure is restricted to the sum thus available, a considerable amount lapses owing to modification in the programme or delays in carrying measures into effect, and in the manufacture and supply of equipment and stores. The programme which the military authorities now work up to thus covers larger expenditure than the sum actually available for new measures, but a lump sum cut is taken to cover probable lapses. This partly explains the lump sum cut of 62½ lakhs shewn in the estimates of the ensuing year. In the current year lump cuts amounting to over 80 lakhs were made and the revised estimates indicate that these cuts have been realised. This system of lump cuts is in accordance with recommendations of the Public Accounts Committee.

7. The following is a brief summary of the main points affecting the major heads of the estimates. The variations in detail will be found described against each head in the volume of detailed estimates.

Part A-I.—Pay and allowances and Miscellaneous cash expenditure on the Fighting Services.

				(In thousands of Rs.)		
				Gross Expenditure.	Receipts.	Nct.
Actuals, 1927-28	.	.	.	19,82,31	12,13	19,70,18
Budget, 1928-29	.	.	.	19,56,88	9,59	19,47,29
Revised, 1928-29	.	.	.	19,79,10	11,04	19,68,06
Budget, 1929-30	.	.	.	19,10,29	10,55	18,92,74

This most important head in the Army Estimates records the pay and other cash charges in the fighting units constituting the Standing Army in India.

The decrease in the estimates for 1929-30 is due mainly to reduction of 30½ lakhs in the pay charges of British troops owing to new recruits being on the reduced rates of pay. The eventual saving from this source will be over a crore of rupees. In addition savings of 10 lakhs under this head are expected

from the reorganisation of Pioneer units and of over 5½ lakhs from a reorganisation in Indian Infantry. The ultimate effect of these two measures will be a saving of Rs. 30 lakhs annually. On the other side it is anticipated that there will be extra expenditure of some 10 lakhs owing to elimination of previous shortages in establishments.

8. Part A-II.—Administrative Services.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	6,42,81	18,97	6,23,84
Budget, 1928-29 . . .	7,22,33	11,27	7,11,06
Revised, 1928-29 . . .	6,70,03	12,52	6,57,51
Budget, 1929-30 . . .	7,03,51	11,14	6,92,37

The main charges compiled under this head are pay and allowances of the personnel of the Administrative Services. The variations in each service are not considerable. The lower expenditure in the actuals of 1927-28 and in the revised estimates of 1928-29 as compared with the budget estimates shown is due to the inclusion in the latter of reserves or grants for special measures which are eventually distributed to the heads under which expenditure is actually incurred. Provision is included for the institution of a new training college for Indian non-commissioned officers and junior Indian officers.

9. Part A-III.—Manufacturing Establishments.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	3,66,43	3,79	3,62,64
Budget, 1928-29 . . .	3,63,68	3,70	3,59,98
Revised, 1928-29 . . .	3,36,38	4,13	3,32,25
Budget, 1929-30 . . .	3,34,95	3,55	3,31,40

Under this head are recorded the expenses of Medical Store Depots, Bakeries, Butcheries, Ordnance and Clothing Factories, Grass Farms and Dairy Farms which are all treated as producing and manufacturing formations in the Army.

The decrease in the estimate for 1929-30 as compared with the actuals for 1927-28 and the budget estimate for the current year is mainly due to smaller outlay on purchase of material and to decreased production charges in grass farms owing to smaller demands, due to mechanisation.

10. Part A-IV.—Army Headquarters, Staff of Commands, etc.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	2,12,04	1	2,12,03
Budget, 1928-29 . . .	2,10,83	..	2,10,83
Revised, 1928-29 . . .	2,06,88	4	2,06,84
Budget, 1929-30 . . .	2,11,46	..	2,11,46

The variations under this head are inconsiderable. The estimates for 1929-30 allow for economies on establishment amounting to about Rs. 2 lakhs. a year which are being effected at Army Headquarters.

11 *Part A-V.*—Purchase and Sale of Stores, Equipment and Animals.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	4,61,37	8,84	4,52,53
Budget, 1928-29 . . .	6,08,34	1,20,84	4,87,50
Revised, 1928-29 . . .	6,50,11	1,56,08	4,94,03
Budget, 1929-30 . . .	6,49,30	1,55,81	4,93,49

The variation between the actuals for 1927-28 and the figures given for later years is due to the accounting arrangement already referred to under which receipts formerly shewn as deductions from expenditure are now shewn as direct receipts. Including the provision made for the purchase of stores for manufacturing establishments the total provision for supplies for the Army in 1929-30 is Rs. 891 lakhs compared with Rs. 918 lakhs in the current year.

12. *Part A-VI.*—Special Services.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	3,16	5	3,11
Budget, 1928-29 . . .	14	..	14
Revised, 1928-29 . . .	14	..	14
Budget, 1929-30 . . .	14	..	14

The charges compiled under this head are for the extra expenditure incurred on troops on the Tibet frontier. The actuals for 1927-28 included provision for charges on account of surplus officers which have now ceased.

13. *Part A-VII.*—Transportation, Conservancy, Hot Weather Establishments and Miscellaneous Charges and Receipts.

(In thousands of Rs.)			
	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	3,68,02	22,70	3,45,32
Budget, 1928-29 . . .	2,95,79	20,51	2,75,28
Revised, 1928-29 . . .	3,35,30	26,16	3,09,14
Budget, 1929-30 . . .	3,88,79	40,76	3,48,03

The increase in the budget estimate for 1929-30 as compared with the estimates for the current year is due to the following causes :—

- (1) Increased provision is necessary for transportation charges as provision for the current year was pitched 'too low in anticipation of certain economy measures the full effect of which was not realised. The provision is however 26 lakhs less than the actuals of 1927-28.
- (2) The contribution for Aden (Rs. 33 lakhs) is now included under this head.

- (3) A special reserve of Rs. 30 lakhs is provisionally placed under this head for eventual transfer to England as required to meet expenditure mainly on stores.

14. *Part A-VIII.*—Non-effective charges and receipts.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	8,20,13	36,68	7,83,45
Budget, 1928-29 . . .	8,37,05	33,49	8,03,56
Revised, 1928-29 . . .	8,32,64	51,91	7,80,73
Budget, 1929-30 . . .	8,34,22	37,95	7,96,27

As compared with the budget estimate for 1928-29, the decrease for 1929-30 is mainly due to casualties under family pensions. The increased receipts in the revised estimate for 1928-29 represent recoveries of arrears in connection with pension adjustments.

15. *Total Part A.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	48,56,27	1,03,17	47,53,10
Budget, 1928-29 . . .	49,95,04	1,99,40	47,95,64
Revised, 1928-29 . . .	50,10,58	2,61,88	47,48,70
Budget, 1929-30 . . .	50,32,66	2,59,76	47,72,90

16. *Part B.*—Auxiliary and Territorial Forces.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	82,69	6	82,63
Budget, 1928-29 . . .	93,82	..	93,82
Revised, 1928-29 . . .	87,13	5	87,08
Budget, 1929-30 . . .	92,95	..	92,95

The provision includes Rs. 10 lakhs for the Territorial Force to cover those recommendations of the Shea Committee to which Government have decided to give immediate effect. In addition to the provision made here expenditure is incurred under the Army and Military Engineering heads for stores and works for these forces which is calculated at about 25 lakhs.

17. *Part C.*—Royal Air Force.

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	1,68,52	63	1,67,89
Budget, 1928-29 . . .	2,28,07	1,57	2,26,50
Revised, 1928-29 . . .	2,18,33	1,45	2,16,88
Budget, 1929-30 . . .	2,40,67	2,67	2,38,00

The increase in the estimates for 1919-30 is due to provision for the maintenance of two new squadrons which have recently been added to the force and two for requirement of existing squadrons.

18. *Total Army.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	51,07.48	1,03.86	50,03.62
Budget, 1928-29 . . .	52,82.93	2,00.97	50,81.96
Revised, 1928-29 . . .	53,16.04	2,63.38	50,52.66
Budget, 1929-30 . . .	53,03.78	2,62.43	50,41.35

19. *Marine.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	76.37	14.75	61.62
Budget, 1928-29 . . .	85.19	16.76	68.43
Revised, 1928-29 . . .	83.97	15.37	68.60
Budget, 1929-30 . . .	82.22	13.62	68.60

The variations under Marine as compared with the current year are inconsiderable. The expenditure on account of developments in connection with reorganisation to be met from the sale-proceeds of the Kidderpore Dock-yard is estimated at Rs. 8½ lakhs in 1929-30.

20. *Military Engineer Services.*

(In thousands of Rs.)

	Gross Expenditure.	Receipts.	Net.
Actuals, 1927-28 . . .	4,50.10	35.88	4,14.22
Budget, 1928-29 . . .	4,36.00	76.39	3,59.61
Revised, 1928-29 . . .	4,46.43	57.69	3,88.74
Budget, 1929-30 . . .	4,72.71	72.66	4,00.05

The increase in gross expenditure is mainly due to special provision for accommodation in connection with the mechanisation of transport and other units. The variation in receipts is mainly due to the extent to which the Land Sales Suspense Account is drawn upon. To this account are credited all receipts from the disposal of lands and buildings surplus to requirements.

21. Statements are appended to this Memorandum which give actual and estimated gross and net expenditure figures from 1925-26 under Army Marine, Military Engineer Services and also the totals. The figures for Army from 1925-26 to 1926-27 cannot be classified under the new heads adopted from 1927-28.

22. If Honourable Members desire any further information on the details of the Military Budget, they are invited to obtain it by personal request to the Financial Adviser, Military Finance.

A. F. L. BRAYNE,

Financial Adviser, Military Finance.

NEW DELHI :

The 31st March 1929.

ARMY.

		Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	1928-29.		Budget, 1929-30.
					Budget.	Revised.	
EXPENDITURE.							
India—							
Part A.—Standing Army.							
Effective Services.							
Pay and allowances and Miscellaneous Cash expenditure of the Fighting Services	R	R	R	R	R	R	R
				16,11,88,376	15,79,87,110	15,92,83,000	15,56,96,000
Administrative services				5,92,54,415	6,70,63,180	6,50,52,000	6,63,18,000
Manufacturing establishments				2,72,38,655	2,78,20,350	2,63,64,000	2,61,21,000
Army Headquarters, Staff of Commands, etc.				2,02,10,413	2,00,96,350	1,96,18,000	2,00,75,000
Purchase and sale of stores, equipment and animals				3,70,15,920	5,30,93,960	5,16,30,000	5,12,45,000
Special Services				87,564	14,060	—30,000	14,000
Transportation, conservancy, anti-malarial measures, hot weather establishments and miscellaneous				3,62,50,740	2,25,12,060	2,56,18,000	2,76,41,000
TOTAL—EFFECTIVE	R			33,54,06,115	34,80,45,000	34,55,38,000	34,71,13,000
Non-Effective Services.							
Non-effective charges	R			8,40,42,279	3,45,53,000	3,42,54,000	3,40,41,000
Part B.—Auxiliary and Territorial Forces—Effective	R			8,68,744	99,82,100	57,13,000	92,95,000
Part C.—Royal Air Force—Effective	R			1,05,00,900	1,20,74,000	1,00,45,000	1,07,84,000
Non-Effective	R			1,244	4,000	20,000	29,000
	R			1,05,02,144	1,24,78,000	1,20,77,000	1,08,18,000
Deduct—							
(1) Provable savings in connection with the introduction of new measures					16,00,000	..	62,50,000
(2) Lump cut for underspending . . . . .				..	28,00,000	..	..
TOTAL INDIA. { Effective	R	41,17,74,810	41,51,71,950	37,41,36,799	36,67,01,000	36,73,96,000	36,09,43,000
{ Non-Effective	R	4,55,04,772	4,68,10,408	3,44,83,668	3,45,57,000	3,42,50,000	3,40,70,000
		45,73,39,582	46,17,82,445	38,81,60,882	40,12,58,000	40,16,46,000	39,50,12,000
	£	£	£	£	£	£	£
EXPENDITURE.							
England—							
Part A.—Standing Army.							
Effective Services.							
Pay and allowances and Miscellaneous Cash expenditure of the Fighting Services				2,778,223	2,681,300	2,697,100	2,649,975
Administrative services				876,973	387,500	596,325	502,475
Manufacturing establishments				700,519	677,900	545,550	553,050
Army Headquarters, Staff of Commands, etc.				71,749	74,000	60,250	80,100
Purchase and sale of stores, equipment and animals				64,108	500,500	1,038,575	1,026,875
Carried over	£			4,614,673	4,551,500	4,824,500	4,611,975
	R	45,72,39,582	45,17,82,446	38,11,80,882	40,12,58,000	40,15,76,000	39,50,12,000

BUDGET FOR 1929-30.

145

ARMY—contd.

			Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28.	1928-29.		Budget, 1929-30.
						Budget.	Revised.	
Brought forward	{ R		45,73,59,582	46,17,82,446	88,81.80, 62	40,13,58,000	40,15,70,000	80,50,12,000
	{ £				4,614,673	4,551,500	4,822,800	4,611,975
Special Services	£				17,106	...	2,000	..
Transportation, conservancy, anti- malarial measures, hot weather establishments and miscel- laneous	£				491,340	530,000	538,400	542,550
TOTAL—EFFECTIVE	£				5,123,128	5,081,500	5,419,200	5,464,825
Non-Effective Services.								
Non-effective charges	£				3,597,814	3,686,400	3,075,750	3,703,575
Part C.—Royal Air Force— Effective	£				455,554	745,700	642,000	877,550
Non-Effective	£				18,500	14,000	14,550	16,500
TOTAL, PART C.					471,554	759,700	657,150	894,050
	£		1,704,275	9,018,841	9,142,506	9,537,600	9,752,100	10,152,450
TOTAL ENGLAND { Effective	R		6,56,13,052	6,14,57,303	7,43,58,498	7,70,96,000	8,08,00,000	8,57,05,000
{ Non-Effective	R		3,12,53,714	3,52,01,033	4,51,51,509	4,92,90,000	4,92,05,000	4,90,01,000
	R		9,70,42,766	9,66,58,426	11,95,07,955	12,70,55,000	13,00,28,000	13,53,06,000
TOTAL EXPENDI- TURE { Effective	R		47,75,87,802	47,08,59,343	42,55,33,205	44,47,97,000	44,51,16,000	44,67,07,000
{ Non-Effective	R		7,67,94,436	8,18,11,520	8,22,28,092	8,38,96,000	8,54,58,000	8,36,71,000
	R		55,43,82,238	55,24,70,872	51,07,48,317	52,82,93,000	53,10,04,000	53,03,78,000
REVENUE.								
India	{ Effective	R	2,80,15,581	3,10,60,459	41,08,003	1,43,50,000	1,79,05,000	1,95,04,000
	{ Non-Effective	R	15,73,770	19,72,526	16,21,554	13,50,000	17,54,000	17,22,000
	TOTAL	R	3,01,59,051	3,30,38,985	57,29,557	1,54,05,000	1,97,19,000	2,12,26,000
England	£		320,655	309,771	319,197	247,400	496,415	376,275
	{ Effective	R	26,55,516	25,79,297	26,10,057	25,12,000	31,53,000	29,44,000
	{ Non-Effective	R	6,50,731	11,18,415	20,46,907	21,20,000	34,37,000	20,73,000
	TOTAL	R	33,06,547	36,97,712	46,56,964	46,32,000	66,19,000	50,17,000
TOTAL REVENUE { Effective	R		3,12,71,397	3,36,45,750	47,18,000	1,67,42,000	2,11,47,000	2,24,48,000
{ Non-Effective	R		22,24,501	30,80,941	36,67,761	33,49,000	51,91,000	37,95,000
	TOTAL	R	3,34,95,898	3,67,38,697	1,03,85,821	2,00,97,000	2,63,38,000	2,62,43,000
NET EXPENDI- TURE { India	R		42,71,00,231	42,57,43,461	33,24,50,505	38,57,93,000	38,15,57,000	37,87,86,000
{ England	R		9,77,36,219	9,29,90,714	11,79,11,991	12,24,03,000	13,34,09,000	13,03,49,000
	R		44,63,16,405	44,30,13,557	42,16,05,105	42,76,49,000	42,60,69,000	42,42,59,000
{ Non-Effective	R		7,45,89,955	7,87,20,568	7,55,57,331	8,65,47,000	7,82,97,000	7,98,78,000
	TOTAL	R	52,08,56,150	52,17,24,175	50,03,62,406	50,81,96,000	50,52,66,000	50,41,35,000

BUDGET FOR 1929-30.

MARINE.

		Actuals, 1926-26.	Actuals, 1926-27.	Actuals, 1927-28.	1928-29.		Budget, 1928-30.	
					Budget.	Revised.		
EXPENDITURE.								
India	R	48,80,991	46,15,987	47,20,189	56,87,000	55,89,000	52,92,000	
England	£	186,908	191,749	218,736	212,400	210,600	219,750	
	R	18,89,037	19,17,464	29,16,481	23,32,000	23,08,000	29,30,000	
Total Expenditure	R	67,80,028	65,33,481	76,36,640	85,19,000	88,97,000	82,22,000	
REVENUE.								
India	R	14,74,245	15,81,689	14,78,372	16,76,000	15,35,000	13,62,000	
England	£	.	.	.	..	150	.
	R	..	..	..	..	2,000	.
Total Revenue	R	14,74,245	15,81,688	14,78,272	16,76,000	15,37,000	13,62,000	
NET EXPEN- DITURE.	India	R	33,56,746	30,54,100	32,44,887	40,11,000	40,54,000	39,30,000
	England	R	18,69,037	19,17,484	29,16,481	23,32,000	23,06,000	29,30,000
	TOTAL	R	52,55,783	49,71,584	61,61,368	68,43,000	68,60,000	68,60,000

MILITARY ENGINEER SERVICES.

		Actuals, 1925-26.	Actuals, 1926-27.	Actuals, 1927-28	1928-29.		Budget, 1928-30.	
					Budget	Revised		
EXPENDITURE.								
India	R	4,54,84,017	4,37,57,586	4,46,85,677	4,31,74,000	4,42,86,000	4,68,57,000	
England	£	34 00.	40,194	54,320	32,000	26,775	13,550	
	R	3,40,652	4,01,941	3,24,230	4,26,000	3,57,000	3,14,000	
TOTAL		4,58,24,669	4,41,59,536	4,50,09,900	4,36,00,000	4,46,43,000	4,72,71,000	
REVENUE.								
India	R	89,81,243	1,11,43,479	35,85,519	76,39,000	87,69,000	72,68,000	
NET EXPENDITURE.	India	R	3,56,02,769	3,26,08,117	3,55,35,000	3,55,17,000	3,98,91,000	
	England	R	3,40,652	4,01,941	3,24,230	4,26,000	3,57,000	3,14,000
	TOTAL	R	3,38,43,421	3,30,10,057	4,14,21,717	3,59,61,000	3,58,74,000	4,00,05,000

TOTAL MILITARY SERVICES: SUMMARY.

		Actuals, 1925-26	Actuals, 1926-27.	Actuals, 1927-28.	1928-29.		Budget, 1929-30.
					Budget.	Revised.	
EXPENDITURE.							
India	R	50,46,84,590	51,01,66,039	48,75,86,198	45,01,19,000	45,14,51,000	44,72,51,000
England	£	9,925,244	9,900,755	9,435,653	9,772,000	9,980,475	10,395,750
	R	9,92,52,455	9,90,07,850	12,55,07,695	13,02,93,000	13,31,91,000	13,56,10,000
Total Expenditure	R	60,39,37,045	60,91,67,889	58,33,94,893	58,04,12,000	58,46,44,000	58,53,71,000
REVENUE.							
India	R	4,06,44,844	4,57,70,752	1,07,78,948	2,47,80,000	2,70,23,000	2,97,54,000
England	£	380,055	609,771	349,197	547,400	496,575	376,275
	R	38,06,547	36,97,713	46,55,904	43,32,000	66,31,000	50,17,000
Total Receipts	R	4,39,51,391	4,94,68,064	1,54,49,312	2,94,12,000	3,36,54,000	3,48,71,000
NET EXPENDI- TURE.	India	R	46,40,79,740	46,43,85,087	42,07,92,650	42,51,39,000	41,74,07,000
	England	R	9,59,45,908	9,53,10,138	12,11,52,781	12,56,61,000	13,35,93,030
	TOTAL	R	56,00,25,648	55,96,95,225	54,79,45,431	55,10,00,000	55,10,00,000

APPENDIX II.

Statement showing the distribution, as between voted and non-voted, of the gross expenditure of the Central Government as shown in the Budgets presented to the Legislature.

[In lakhs of rupees.]

	1927-28.				1928-29.				1929-30.			
	Voted.	Non-voted.	Total.	Per-centage of voted to total.	Voted	Non-voted	Total.	Per-centage of voted to total.	Voted.	Non-voted	Total.	Per-centage of voted to total.
Expenditure charged to revenue.	93,44	1,12,01	2,05,45	45	96,12	1,13,87	2,09,99	46	1,00,16	1,16,66	2,16,82*	46
Expenditure not charged to revenue.	26,93	3,59	30,52	88	30,05	4,36	34,41	87	36,04	2,81	38,85	33
Total Expenditure both charged and not charged to revenue.	1,20,37	1,15,60	2,35,97	51	1,26,17	1,18,23	2,44,40	52	1,36,20	1,19,47	2,55,67	53

*These figures have been arrived at as follows.—

Expenditure as per Budget Statement	1,25,26	1,29,60	1,34,06
Add—Working expenses of—			
(a) Railway Department	66,94	66,31	68,45
(b) Posts and Telegraphs	10,53	11,13	11,81
(c) Irrigation	11	9	9
Add—Refunds	2,56	2,86	2,83
Recoveries included in Civil Works Demand	..	..	8
	<u>2,05,45</u>	<u>2,09,99</u>	<u>2,16,82</u>

APPENDIX III.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PREFATORY NOTE.

I—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

Item 1 of
Part I of
pro formâ
account.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "58—State Railways."

Item 3(b),
ibid.

Item 2, *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works".

Item II, *ibid.*

Items 1 and I
of Part II of
pro formâ
account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly, as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (a)
and III of
Part I of
pro formâ
account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure on Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro forma* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

Items 4 to
and I and
of Part I,
Items 2 a)
to IV of
Part II of
pro forma
account.

Item 1 of
Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro forma* account.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	Receipts.	Actuals to end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
1. DELHI PROJECT: Capital outlay on Permanent Delhi chargeable to Head "37" (for details see Statement I-A)	18,01,20	49,40	71,66	I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move (a) . . .	19,64	62	1,15
2. Temporary Delhi * . . .	64,33	...	...	II.—Non-recurring receipts on account of Temporary Works . . .	2	...	...
3. Initial expenditure of non-Civil Departments :— (a) Military services † . . .	1,10,65	1,13	1,10	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi . . .	...	...	...
(b) Railways † . . .	99,06	8,32	15,67	IV.—Miscellaneous items . . .	5,46	...	...
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionariat transferred from Delhi . . .	1,36	...	...		
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere . . .	6,03	57	1,41				
Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi . . .	8,97	50	47				
Miscellaneous items § . . .	10,00	62	65				
TOTAL . . .	15,97,85	60,90	90,96	TOTAL . . .	28,12	62	1,15
Total expenditure to end of 1928-29 . . .		17,43,71		Total receipts to end of 1928-29 . . .		29,59	
Net expenditure to end of 1928-29 . . .		17,19,23					

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (a) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
Acquisition of land	13,20	...	...
Cost of buildings	68,63	1,13	1,10
Establishment charges	6,76	...	...
Tools and plants	2,06	...	...
TOTAL	1,10,65	1,13	1,10

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Bawa. These figures include transactions on account of Delhi New Capital Railway Work also.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Accountant General, Central Revenues, (Audit Staff, Delhi Experiments) and the cost of temporary establishment employed in the Secretariats in connection with the change of Capital.

|| NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the Prefatory Note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1912-13 to 1922-23 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 7,69,460 partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation. With effect from 1923-24 rent is being recovered from the Local Government for the occupation of Central buildings at Calcutta and the receipts are being shown under head I.

(a) Includes Rs. 19 lakhs on account of value of premises No. 3, Kollaghat Street sold to E. B. Railway and Rs. 20,000 on account of rent receipts.

BUDGET FOR 1929-30.

153

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.	Receipts.	Actuals, 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
1. Expenditure of Delhi Province*	83,37	1,04,91	1,18,11	I.—Revenue of Delhi Province *	42,14	40,91	44,43
2. Miscellaneous items	...	...	...	II.—Saving under Calcutta house allowances †	30	32	32
				III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices ‡	2,50	2,50	2,50
Total expenditure	83,37	1,04,91	1,18,11	IV.—Miscellaneous items	55	61	61
Net expenditure	47,85	60,57	70,25	Total receipts	45,52	41,34	47,88

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—The figure shown against item II will be subject to increase as additional officers are successively transferred from Calcutta to Delhi.

‡ NOTE 3.—The figure shown against item III is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been large owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

BUDGET FOR 1929-30.

STATEMENT I-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of *pro forma* account.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
A.—Salaries and allowances—			
(a) Preliminary Investigation—			
(i) Gazetted officers	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(b) Public works and electrical officers employed on the Project—			
(i) Gazetted officers	1,01,97	6,90	5,34
(ii) Non-gazetted officers	77,80	8,43	8,92
(c) Miscellaneous officers (including all others employed on the Project)—			
(i) Gazetted officers	5,82	12	14
(ii) Non-gazetted officers	5,31	39	41
(d) Leave allowances . . . . .	...	...	..
B.—Travelling allowances of officers and Establishments—			
(a) Preliminary Investigation—			
(i) Gazetted officers	23	...	...
(ii) Non-gazetted officers	2	...	...
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers	8,84*	62	57
(ii) Non-gazetted officers	5,26	41	41
(c) Miscellaneous officers including all others employed on the Project—			
(i) Gazetted officers	73	3	3
(ii) Non-gazetted officers	51	5	5
C.—Supplies, Services and Contingencies—			
(a) Preliminary investigation	51	...	...
(b) Public Works and Electrical officers employed on the Project	7,59	72	72
(c) Miscellaneous officers employed on the Project	47	1	1
Loss on account of Exchange . . . . .	...	...	...
Total A, B and C	2,17,24	17,71	16,60
Deduct—Credit from other heads of accounts	53,68	8,30	5,30
Net total A, B and C carried over	1,63,56	9,41	11,30

BUDGET FOR 1929-30.

155

Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of *pro forma* account—*contd.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1927-28.	Revised Estimate, 1928-29.	Budget Estimate, 1929-30.
Brought forward Net total A, B, C.	1,63,56	9,41	11,30
<i>D.—Works Expenditure—</i>			
(i) Buildings—			
(a) Government House	1,18,59	33,00	23,77
(b) Secretariats	1,78,09	3,73	4,19
(c) Other buildings	2,22,32	12,69	40,23
(d) Legislative Chambers	80,94	1,96	5,58
(ii) Communications	29,35	59	60
(iii) Miscellaneous Public Improvements	18,77	2,62	30
(iv) Electric Light and Power	59,78	32	5,72
(v) Irrigation	40,53	43	18
(vi) Sanitation including storm-water drains, sewage and sewerage disposal, water-supply and conservancy	1,11,91	2,78	3,24
(vii) Tools and plant	93,96	1,22	1,11
(viii) Stock and Suspense	31,85	—5,38	—2,70
(ix) Miscellaneous	90,23	1,06	1,67
(x) Maintenance during construction	84,93	3,62	3,00
Railway division	13,78	...	..
<i>E.—Acquisition of land taken up for the Project.</i>	34,23	...	...
<i>F.—Other Miscellaneous expenditure</i>	6	...	...
<i>Minus Reserve</i> . . . . .	...	—2,50	—15,53
<i>Deduct—Receipts on Capital Account.</i>	66,92	16,50	11,00
TOTAL	13,03,26	4,40	71,66

STATEMENT II-A.

Revenue and Expenditure of Delhi and Delhi Province.

[Figures in thousands of rupees.]

RECEIPTS.				EXPENDITURE.			
Major Heads of Accounts.	Actuals for 1927-28.	Revised Estimate for 1928-29.	Budget Estimate for 1929-30.	Major Heads of Accounts.	Actuals for 1927-28.	Revised Estimate for 1928-29.	Budget Estimate for 1929-30.
I.—Customs . . . . .	...	...	...	2. Taxes on Income	56	66	68
II.—Taxes on Income	11,87	10,87	10,99	5. Land Revenue	57	63	63
IV.—Opium . . . . .	...	...	...	6. Excise	3,53	3,70	3,69
V.—Land Revenue	4,34	3,19	3,09	7. Stamps	8	35	10
VI.—Excise	8,97	7,56	7,61	8. Forests	7	10	10
VII.—Stamps	7,25	7,73	7,59	9. Registration	4	4	4
IX.—Registration	44	44	44	15. Miscellaneous Irrigation Expenditure	5	5	5
XIV.—Irrigation works for which no Capital Account is kept	2	2	2	19. Interest	10,92	11,93	13,44
XVI.—Interest	19	18	16	22. General Administration	3,28	3,42	3,68
XVII.—Administration of Justice	46	46	46	23. Audit (a)	25	26	28
XVIII.—Jails and Convict Settlement	26	22	19	24. Administration of Justice	2,41	2,57	2,55
XIX.—Police	23	23	23	25. Jails and Convict Settlements	1,27	1,12	1,39
XXI.—Education	45	43	44	26. Police	8,68	9,50	9,54
XXII.—Medical	7	17	13	28. Ecclesiastical	25	20	21
XXIII.—Public Health . . . . .	...	10	7	29. Political	8	10	14
XXXIV.—Agriculture . . . . .	...	6	5	31. Education	8,08	9,36	9,79
XXV.—Industries	1	9	5	32. Medical	5,18	5,17	5,45
XXVI.—Miscellaneous Departments	10	10	10	33. Public Health	2,21	2,67	2,02
XXX.—Civil Works	6,51	6,40	9,75	34. Agriculture	47	59	63
XXXIII.—Receipts in aid of Superannuation	37	36	36	35. Industries	14	20	28
XXXIV.—Stationery and Printing	3	2	2	37. Miscellaneous Departments	3	3	3
XXXV.—Miscellaneous	1,02	2,06	2,04	38. Currency	30	25	35
TOTAL	42,14	40,91	44,13	41. Civil Works	38,53	39,66	50,69
				Civil Works—Viceregal Estates, Delhi	1,37	1,58	1,72
				42. Territorial and Political Pensions	49	51	51
				43. Superannuation Allowances and Pensions	3,50	3,27	3,23
				46. Stationery and Printing	2	3	3
				47. Miscellaneous	3,74	3,51	3,57
				(B) Commuted value of pensions	1,69	2,49	2,46
				TOTAL	93,37	1,04,91	1,18,11

(a) Excludes proportionate cost of the office of the Accountant General, Central Revenues, Delhi, debitable to Part I.

BUDGET FOR 1929-30.

Appendix IV.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I—MISCELLANEOUS.

Appen
COMMERCIAL AND
TABLE I—

	1920-21.	1921-22.	1922-23.	1923-24.
	Rs.	Rs.	Rs.	Rs.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Posts and Telegraphs, Light-houses and Light-ships Vizagapatam Port, Security Printing, the Delhi Capital, commuted value of pensions, Currency note printing and Bombay Land Scheme, not charged against Revenue—				
Surplus				2,38,99,758
Deficit	28,00,85,276	27,65,01,700	15,01,78,392	
Capital Expenditure on Railways and Irrigation works not charged against Revenue.	28,55,72,106	22,97,57,115	18,45,67,524	20,80,11,576
Capital charge involved in the purchase of Railways.	..	..	..	..
Capital outlay on the Posts and Telegraphs Department not charged against Revenue.	..	81,61,617	65,62,006	75,21,580
Capital outlay on Light-houses and Light-ships.	..	..	..	..
Capital outlay on Vizagapatam Port and Security Printing not charged against Revenue.	..	..	..	..
Initial Expenditure on New Capital at Delhi.	1,25,75,011	1,35,27,418	1,84,79,492	1,54,78,652
Commuted value of pensions not charged against Revenue.	..	..	..	..
Currency Capital outlay	..	..	..	..
Outlay on Bombay Land Scheme .	..	..	..	..
Net Public Debt incurred . . .	52,34,07,498	49,19,30,108	25,61,19,058	17,67,00,540
Net public debt incurred, including Capital transactions with Railway Companies.	51,78,91,284	49,75,33,002	25,28,11,589	16,64,05,856
Value of commodities exported, excluding Gold and Silver.	2,87,76,80,000	2,48,65,80,000	3,16,07,20,000	3,63,37,60,000
Value of commodities imported, excluding Gold and Silver.	3,47,57,40,000	2,32,59,80,000	2,46,19,20,000	2,37,18,40,000
Excess of Exports over Imports, excluding Gold and Silver.	(c) —79,80,60,000	(c)—83,94,00,000	69,88,00,000	1,26,19,20,000
Net Imports of Gold	2,10,80,000	†—2,86,40,000	41,19,10,000	29,18,70,000
Net Imports of Silver	6,48,40,000	15,09,60,000	18,35,40,000	18,69,80,000
TOTAL NET IMPORTS OF GOLD AND SILVER.	8,59,20,000	12,23,20,000	59,54,50,000	47,88,50,000
Excess of Exports over Imports including Gold and Silver.	(c)—88,39,80,000	(c)—46,17,20,000	10,83,50,000	78,80,70,000
Net Imports of Currency Notes* . .	..	..	1,01,70,000	1,64,60,000
Excess of Exports over Imports including Gold, Silver and Currency Notes	(c)—88,39,80,000	(c)—46,17,20,000	9,31,80,000	76,66,10,000
(a) Council Bills and Purchase of sterling	£ ..	..	2,640,026	21,838,705
Rupee Equivalent thereof . . . .	..	..	3,84,77,840	31,45,48,173
Silver coined at the Indian Mints .	3,41,30,039	1,60,56,638	62,75,446	50,00,791

*Recorded from

†Represents net
(a) Includes remittances of the
(b) Figures for 11 months
(c) Net
(d) Net

dix IV.

FINANCIAL STATISTICS.

MISCELLANEOUS.

1924-25.	1925-26.	1926-27.	1927-28.	1928-29, Revised.	1929-30 Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,68,25,698	3,31,18,187	..	..	..	..
13,46,94,254	19,23,58,255	27,22,07,907	32,43,48,928	26,01,16,000	33,54,66,000
..	3,42,78,880	..	..	4,00,00,000	..
1,17,55,881	2,23,54,189	32,59,180	46,87,947	59,37,000	63,18,000
..	..	..	..	..	8,000
..	81,16,371	48,36,820	19,28,440	27,52,000	40,46,000
1,42,18,868	99,06,184	61,63,117	46,57,732	49,72,000	71,66,000
..	..	23,85,222	44,26,219	33,43,000	31,17,000
..	..	8,66,401	12,94,577	3,02,000	52,000
9,62,96,934	—4,03,60,226	—4,86,34,295	20,74,500 +2,44,27,984	3,02,000 +34,46,58,000	52,000 +21,17,27,000
9,13,70,596	—4,09,06,307	—7,49,48,446	+1,77,71,318	+34,46,58,000	+21,17,27,000
4,00,24,30,000	3,86,81,20,000	3,11,05,00,000	3,30,26,40,000	(b)3,06,85,80,000	
2,53,36,40,000	2,36,00,10,000	2,40,81,80,000	2,61,53,40,000	(b)2,40,23,70,000	
1,46,87,90,000	1,50,81,10,000	70,23,20,000	68,73,00,000	(b)66 11,90,000	
73,02,60,000	34,25,50,000	19,40,00,000	18,10,00,000	(b)17,57,00,000	
30,07,40,000	17,12,40,000	19,26,30,000	13,83,60,000	(b)9,52,10,000	
94,00,00,000	51,97,90,000	39,26,30,000	31,93,60,000	(b)27,09,10,000	
52,87,90,000	98,88,20,000	30,96,40,000	36,79,40,000	(b)39,02,30,000	
3,00,000	(a)—33,00,000	5,20,000	(a)—17,70,000	(b) (a)—2,90,000	
52,84,90,000	99,16,20,000	30,91,20,000	36,97,10,000	(b)39,05,70,000	
40,770,182	46,316,500	2,115,000	23,325,000	29,250,000	35,250,000
55,38,97,524	61,23,87,682	2,81,70,033	37,77,30,264	39,00,00,000	47,00 00,000
33,25,394	30,78,478	50,49,436	10 25,926	(b)27,41,000	

April 1922.

exports of gold.
Currency Department.
(April to February).

COMMERCIAL AND

TABLE I—

	1920-21.	1921-22.	1922-23.	1923-24.
Maximum price in pence of an oz. troy standard Silver in London Rs.	72½ (7th April 1920).	43½ (27th Sept. 1921).	37½ (22nd May 1922).	34 1/16 (3rd and 5th Jan., 13th and 14th Feb. 1924).
Minimum price in pence of an oz. troy standard Silver in London.	30½ (5th March 1921).	32½ (28th Feb. & 2nd Mar. 1922).	30½ (15th Dec. 1922).	30 11/16 (13th July 1923).
Average Exchange upon Secretary of State's Bills sold per rupee.	..	..	1s. 4'448d.	1s. 4'534d.
Average of the daily telegraphic transfer rates from Calcutta on London.	1s. 8'66d.	1s. 3'85d.	1s. 3'76d.	1s. 4'46d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	2s. 8d., 2s. 4d., 2s. 2½d., 2s., 1s. 11d., 1s. 10½d., 1s. 8½d., 1s. 5½d., 1s. 8d., & 1s. 4½d.	1s. 3½d., 1s., 8½d., 1s. 8½d., 1s. 4d., 1s. 4½d., 1s. 5d., and 1s. 5½d.	1s. 3½d., 1s. 3½d., 2s. 3½d., 1s. 4d., and 1s. 4½d.	1s. 4d., 1s. 4½d., 1s. 4½d., 1s. 5d., and 1s. 5½d.
Maximum rate of discount on loans on demand at the Imperial Bank of India, Calcutta.	7 (1st Apl. to 9th June 1920, 13th Nov. 1920 to 2nd Mar. 1921).	8 (16th Feb. to 31st Mar. 1922).	8 (1st to 26th April 1922 and from 11th Jan. to 31st March 1923).	9 (14th Feb. to 31st March 1924).
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.	5 (1st July to 3rd Nov. 1920).	5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).	4 (28th June to 14th Nov. 1923)
Maximum rate of discount at the Bank of England.	7 (15th April 1920 to 31st Mar. 1921).	7 (1st Apl. to 1st Mar. 1921).	4½ (1st to 12th April 1922).	4 (since 5th July 1923).
Minimum rate of discount at the Bank of England.	6 (1st to 14th Apl. 1920).	4½ (16th Feb. to 31st Mar. 1922).	3 (13th July 1922 to 31st March 1922).	3 (1st April to 4th July 1923).
Maximum Government balances at the Imperial Bank of India.	20,38,41,000 (July)	25,87,46,000 (31st July).	38,19,07,090 (28th July).	29,74,54,000 (20th July).
Minimum Government balances at the Imperial Bank of India.	5,84,98,000 (Feb).	5,34,64,000 (18th Nov.).	8,22,54,000 (10th Nov.).	6,22,69,000 (6th Nov.).
Maximum price in Calcutta of 5 per cent. War loan, 1929-47.	90	87	88-8	93-10
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	77	78	81 3	87-12
Maximum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.	95½ to 96	89	93-8	95-14
Minimum price in Calcutta of 5 per cent. Income-tax free loan, 1945-55.	78½	80	87	93-2
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed).	60 (1st to 16th April 1920 and 5½ to 15th January 1921).	62 (30th & 31st May 1921).	61-4 (22nd and 23rd March 1923).	63-3 (8th Mar. 1924).
Minimum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed).	52 (1st Nov. to 12th Dec. 1920).	55-8 (from 11th March 1922).	55-8 (1st to 17th April 1923).	61 (3rd to 5th April 1923).
Maximum price in Calcutta of 3 per cent. Rupee Securities.	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).	53 (31st May and 1st June 1921).	52-8 (22nd and 23rd March 1923).	57-12 (8th Mar. 1923).
Minimum price in Calcutta of 3 per cent. Rupee Securities.	42 (1st Nov. to 22nd Dec. 1920).	47 (1st to 4th April 1921).	47-12 (1st to 18th April 1922).	51-14 (3rd to 5th April 1923)

BUDGET FOR 1929-30.

161

FINANCIAL STATISTICS—*contd.*

MISCELLANEOUS—*contd.*

1924-25.	1925-26.	1926-27.	1927-28.	1928-29, Revised.	1929-30, Budget.
36 1/16 (9th Oct. 1924).	38 7/16 (5th Sept. 1925).	30 1/8 (5th May 1926).	27 (6th Decr 27)	28 1/2 (21st May 1928).	
31 1/2 (29th Dec. 1924).	30 1/2 (19th and 22nd March 1926).	24 1/2 (20th October 1926).	24 1/8 (8th, 11th and 22nd Aug. 1927).	25 1/8 (16th February 1929).	
1s. 6'028d.	..	..	..	..
1s. 5'51d.	1s. 6'08d.	1s. 5'902d.	1s—5'93d.	1s. 6d	
1s. 4 1/2d., 1s. 5d., 1s. 5 1/2d., 1s. 5 1/2d. and 1s. 6d.	1s. 6d., 1s. 6 1/2d.	1s. 5 1/2d., 1s. 6d. and 1s. 6 1/2d.	1s.—6d.	1s 6 1/2.	
9 (1st April to 9th April).	7 (1st April to 20th May).	7 (10th February to 31st March).	7 (1st April to 1st June, 22nd December to 31st March.	8 (From 14th Feb 1929).	
4 (31st July to 20th Aug. 1921).	4 (3rd July to 27th September).	4 (10th June to 31st December).	4 (28th July to 7th Sept.).	5 (19th July to 14th November).	
5 (5th March).	5 (1st April to 4th August and 3rd December to date).	5 (throughout the year.)	5 (1st April to 20th April).	5 1/2 (From 7th February 1929).	
4 (1st April 1924 to 4th March 1925).	4 (2nd October to 2nd December).	..	4 1/2	4 1/2 (1st April 1928 to 6th February 1929).	
32,18,07,000 (31st July).	28,96,81,000 (29th May).	36,41,13,000 (30th July).	19,97,33,000 (1st April).	17 20,78,000 (24th August 1928).	
7,42,62,000 (31st Dec.).	4,29,57,000 (11th Dec.).	3,85,92,000 (17th December).	8,05,09,000 (7th October).	3,71,10,000 (6th April 1928).	
94—14	97—4	102—6	101—11.	100—8.	
92—14	94—13	99—14	100—4.	99—2.	
99—8	101—7	110—4	108—13.	106—11.	
97	98—13	104—9	105—13.	103—4.	
68—6 (10th July).	73—8 (27th March).	79—1 (15th December).	79—5 (29th April).	75—10 (21st and 22nd June).	
63—4 (18th September).	67—10 (5th May)	74—6 (1st April).	74—6 (9th December).	71—14 (27th February and 1st March)	
58—10 (10th July)	63—14 (25th March).	67—14 (15th to 21st December).	67—14 (29 April).	64—12 (2nd to 5th April, 10th April, 14th to 25th June).	
53—8 (18th September).	57—15 (15th to 18th May)	62—8 (1st and 8th April).	63—14 (8th December).	61—8 (27th Feb-	

COMMERCIAL AND

TABLE I—

	1920-21.	1921-22.	1922-23.	1923-24.
	Rs.	Rs.	Rs.	Rs.
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	6,65,19,000 (Apl.)	7,80,08,000 (Feb.)	10,50,48,000 (Nov.)	10,80,92,000 (Oct.)
Minimum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	6,13,12,000 (Sept.)	6,36,80,000 (Apl.)	9,68,19,000 (May)	10,06,94,000 (Mar.)
Maximum price in London of 3½ per cent. (Rupee Securities in Gold).	63½	42½	39	45
Minimum price in London of 8½ per cent. (Rupee Securities in Gold).	33½	34½	34	39
Maximum price in London of India 3½ per cent. Stock.	61	63½	69½	72½
Minimum price in London of India 3½ per cent. Stock.	51½	55½	62½	61½
Maximum price in London of India 3 per cent. Stock.	53	55½	59½	62½
Minimum price in London of India 3 per cent. Stock.	43½	47½	53½	52½
Maximum price in London of India 2½ per cent. Stock.	43	46½	50½	52½
Minimum price in London of India 2½ per cent. Stock.	37½	39½	44½	44½
Maximum price in London of 5½ per cent. Stock.	..	94½	102½	105
Minimum price in London of 5½ per cent. Stock.	..	89½	93½	99
Maximum price in London of 4½ per cent. Stock, 1950-55	..	..	88½	93
Minimum price in London of 4½ per cent. Stock, 1950-55.	..	..	83½	82½
Maximum price in London of 4½ per cent. Stock, 1955-68	..	..	..	..
Minimum price in London of 4½ per cent. Stock, 1955-68.	..	..	..	..
Maximum Government Paper Currency outstanding.	1,70,73,89,000 (Apl.)	1,79,71,49,000 (Oct.)	1,82,26,25,000 (Aug.)	1,86,18,98,000 (Feb.)
Minimum Government Paper Currency outstanding.	1,57,62,82,000 (sept.)	1,67,31,85,000 (Apl.)	1,71,76,07,000 (Apl.)	1,71,23,35,000 (May.)
Number of Post Office Savings Banks.	10,713	10,758	10,730	10,535
Number of accounts in Post Office Savings Banks.	1,877,957	1,958,324	2,043,502	2,089,314
Amount deposited in Savings Banks	22,56,21,716	22,26,24,825	23,19,98,761	24,78,88,170
Average of each deposit . .	121.78	113.68	113.52	118.64
Net addition to deposits .	1,51,37,088	-59,96,991	93,73,936	1,58,84,409

FINANCIAL STATISTICS—*concl'd.*MISCELLANEOUS—*concl'd.*

1924-25.	1925-26.	1926-27.	1927-28.	1928-29, Revised.	1929-30, Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10,20,98,000 (Apl.)	9,48,86,000 (Apl.)	8,59,21,000 (Oct.).	8,73,81,000 (Dec.).	9,08,86,000 (July).	
9,69,86,000 (Mar.).	8,41,90,000 (Mar.).	8,19,29,000 (Sept.).	8,09,28,000 (Nov.).	8,23,92,000 (June).	
49½	54½	57½	58	56	
45	40½	54½	55½	58½	
69½	69½	74½	73½	72½	
63	63½	67½	68	77	
59½	59½	63½	63½	62½	
54	54½	57½	59	60	
49½	40½	52½	52	52½	
45	46½	48½	49	50	
108½	103	104	108½	103½	
100	99½	101	100½	100½	
89½	91½	98½	94½	95½	
85½	85½	88½	89½	91½	
..	..	..	..	95	
..	..	..	..	91½	
1,84,19,40,000 (Mar.).	1,93,34,10,000 (Mar.).	2,00,53,42,000 (Aug.).	1 86 28,22,000 (January)	1,92,47,31,000 (February).	
1,72,49,20,000 (June).	1,73,23,07,000 (May).	1,80,47,21,000 (Jan.).	1,71,44,71,000 (May).	1,77,15,84,000 (June).	
10,727	11,162	11,994	12,326		
2,164,473	2,317,390	2,518,142	2,606,071		
25,63,94,907	27,23,14,764	29,50,89,541	32,66,68,188		
118'45	117'50	117'19	125'34		
85,11,737	1,59,19,357	2,27,74,777	3,15,78,847		

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